

CHAMBER




HOW WE VALUE DEMOCRACY

Members' Compensation Review Committee | 2024

Heather M. Jacobs, KC



Cover: Collection of the House of Assembly. Photo Credit Erica Yetman.



Compensation for MLAs should be generous enough to attract suitably talented and capable individuals from all sectors, yet not so generous as to be the primary motivator for prospective members. Experience has shown that to attract the best people seeking office is to appeal to those primarily motivated by a desire to serve. For some, pursuing politics as a career will involve a financial sacrifice—MLAs’ salaries cannot compete with those offered in the private sector. However, compensation should be crafted so as not to deter desirable candidates from serving due to unreasonable monetary sacrifices.

The Honourable J.C. Major, CC, KC
MLA Compensation Review – Alberta
May 2012 Report



HOW WE VALUE DEMOCRACY

**Review of the Members' of the House of Assembly
Salaries, Severance, Pensions and Allowances**

Members' Compensation Review Committee | March 2024

Heather M. Jacobs, KC



HOUSE OF ASSEMBLY
Newfoundland and Labrador

Members' Compensation Review Committee

March 26, 2024

HAND DELIVERED

The Honourable Derek Bennett
Speaker of the House of Assembly of the Province of
Newfoundland and Labrador
House of Assembly
Confederation Building
St. John's, NL

Speaker,

In accordance with my mandate, given to me by the House of Assembly on November 2, 2023, I deliver the 2024 Members' Compensation Review Committee report, titled How We Value Democracy, with my recommendations regarding salaries, severance, pensions and allowances.

Thank you for the opportunity to serve the Legislature. I remain available for six months to the House of Assembly Management Commission for consultation.

Respectfully submitted,

A handwritten signature in black ink that reads "Heather Jacobs".

Heather M. Jacobs, KC

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I would not have been able to complete the 2024 Members' Compensation Review Committee report (2024 MCRC) in the time frame of 120 days without the valuable assistance of the following people:

- The dedicated 2024 MCRC team of Sandra Barnes, Maureen McCarthy, Mark Jerrett, Yvonne Power and Adrienne Ding;
- Employees of the House of Assembly Service, who so efficiently and enthusiastically assisted with the 2024 MCRC office set-up, including retaining staff, creating the website, issuing news releases, gathering information, providing input and supporting, as necessary. In particular, I would like to thank Kim Hawley George, Clerk (acting), Sabrina Barnes, Kim Hammond, Hans Hebbard, Robert Hillier, Wanda Howlett, Andrea Hyde, Lauren Kean, Wanda Lee Mercer, Michelle Mitchelmore, Megan Neal, Kim Puddester, Bobbi Russell, Gerrie Smith and Wanda Strowbridge;
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- Elizabeth Lane, Renee Williams, Amanda Garland, Dean Batten and Lorelei Thomas of the Treasury Board Secretariat for providing human resource data, pension information and allowance rates;
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- Officials of other Canadian legislatures for their prompt and thorough responses to requests for jurisdictional information;
- The members of the public who provided their views; and
- The Members of the House of Assembly (MHAs) and their staff, who honestly expressed their issues and concerns.



EXECUTIVE SUMMARY

Mandate

Subsection 16(1) of the **House of Assembly Accountability, Integrity and Administration Act**¹ (HOAAIAA) requires the appointment of an independent committee, named the Members' Compensation Review Committee, to conduct an inquiry and prepare a report respecting salaries, allowances, severance and pensions to be paid to MHAs.

On November 2, 2023, the House of Assembly appointed the Members' Compensation Review Committee for the 50th General Assembly by unanimous resolution, with an effective date of December 1, 2023². The resolution mandated that the report be delivered to the speaker on or before April 1, 2024. This is the fourth independent committee; the first three reports were delivered in 2009, 2012 and 2016.

The resolution appointed Heather M. Jacobs, KC as the sole member of the 2024 MCRC. Jacobs served as the Deputy Minister of Justice and Public Safety on three occasions from 2015 to 2022. Before that time, Jacobs served as Assistant Deputy Minister of that department for nine years, managed the Government Services Division within the Civil Division for four years and was a solicitor in the Civil Division for 13 years. She has served as a Nalcor Board member and Chair of the Board of the Oil and Gas Corporation of Newfoundland and Labrador. She was also a member of the Expert Panel on Churchill Falls 2041.

In particular, the resolution mandated the 2024 MCRC to:

1. recommend the annual salary for MHAs;
2. review and provide recommendations regarding additional salary provisions for positions identified in subsection 12(1) of the **House of Assembly Accountability, Integrity and Administration Act**;
3. recommend a formula or means for making annual salary adjustments for salary amounts referenced in 1 and 2 above;
4. review and provide recommendations regarding the current severance pay policy for MHAs; and
5. review the current provisions for MHA pensions and provide recommendations for adjustments.

Review Process

The 2024 MCRC commenced work immediately on December 1, 2023.

The 2024 MCRC:

- Reviewed the previous MCRC reports of October 2009³, November 2012⁴ and November 2016⁵;
- Reviewed Hansard transcripts of the Management Commission meetings and House of Assembly debates regarding MHAs compensation and benefits;

¹ HOAAIAA, SNL2007, c.H-10.1.

² See [Appendix A](#).

³ [Review of: MHA Salaries, Allowances, Severance Payments and Pensions](#), MCRC, October 2009.

⁴ [MHA Salaries, Allowances, Severance Payments and Pensions Review](#), MCRC, November 2012.

⁵ [Review of MHA Salaries, Allowances, Pensions & Severance](#), MCRC, November 2016.

- Requested public input through the 2024 MCRC website, new releases, a toll-free number, an email account and social media, and informed the public that input received would be summarized anonymously in the report;
- Received input from 24 of the 40 MHAs, who were also assured that the report would summarize feedback without identifying sources;
- Met with House of Assembly staff and the Pensions Division of the Treasury Board Secretariat;
- Reviewed relevant provincial legislation, rules and policies;
- Reviewed pension reports;
- Analyzed allowances against actual expenditures since 2012, with a particular focus on expenditures since 2016;
- Reviewed the 2023 Budget and the mid-year Economic Update;
- Reviewed reports regarding compensation and benefits provided to members of legislative assemblies from other Canadian jurisdictions; and
- Obtained and analyzed jurisdictional information regarding compensation and benefits provided to members of Canadian legislative assemblies.

[Appendix B](#) outlines further details on the review process.

Conclusions

After considering the input received and following extensive research and analysis, the 2024 MCRC has concluded:

- The failure to provide a salary increase since 2009 is neither just nor reasonable, and the annual salary for MHAs must be increased;
- A salary increase for the additional-salary positions of speaker, deputy speaker and chair of committees, leader of the official opposition, official opposition house leader, leader of a third party, third party house leader, chairperson of the Public Accounts Committee and vice chairperson of the Public Accounts Committee is warranted;
- The positions of deputy chair of committees, deputy opposition house leader, party whip and caucus chair should be compensated for their additional duties;
- The government house leader and deputy government house leader positions should be added as additional-salary positions;
- Members of committees of the House and the Management Commission should be compensated for their additional duties;
- The **House of Assembly Accountability, Integrity and Administration Act** should stipulate that an MHA who simultaneously holds an additional-salary position, a ministerial position or a committee membership is entitled to only the additional salary or per diem of the highest compensated position;
- The annual salary, additional-salary positions and committee maximums should be adjusted annually based on the percentage change to the consumer price index and the executive pay plan;
- Severance should continue with the same provisions afforded to all MHAs;
- Transitional supports for departing MHAs should be provided;

- Pension benefits should be reinstated for current and defeated MHAs first elected on November 30, 2015 to what they were at the time of election;
- Adjustments are necessary to mileage and meal provisions, including provisions respecting conducting meetings in eating establishments, intra- and extra-constituency (I&E) travel, extraordinary travel and locations of constituency offices;
- Adjustments are necessary to office operations and constituency allowances to clarify eligible expenses and improve flexibility in allowance use;
- Recommendations concerning salary, severance and allowances should come into force April 1, 2024; and
- Recommendations concerning pension should apply to all MHAs first elected on November 30, 2015.

Summary of Recommendations

Based on these conclusions, the 2024 MCRC makes the following recommendations:

Respecting salaries

1. Set the annual salary for an MHA, detailed in section 11 of the **House of Assembly Accountability, Integrity and Administration Act**, to \$120,000;
2. Set the salaries for the additional-salary positions, detailed in section 12 of the **House of Assembly Accountability, Integrity and Administration Act**, as follows:
 - a. speaker: \$55,000;
 - b. deputy speaker and chair of committees: \$25,000;
 - c. leader of the official opposition: \$55,000;
 - d. official opposition house leader: \$25,000;
 - e. leader of a third party: \$30,000;
 - f. third party house leader: \$15,000;
 - g. chairperson of the Public Accounts Committee: \$15,000; and
 - h. vice chairperson of the Public Accounts Committee: \$10,000;
3. Add the following additional-salary positions to section 12 of the **House of Assembly Accountability, Integrity and Administration Act**:
 - a. deputy chair of committees: \$15,000;
 - b. deputy opposition house leader: \$9,000;
 - c. government party whip: \$5,000;
 - d. official opposition party whip: \$5,000;
 - e. third party whip (if caucus is five or more MHAs): \$5,000;
 - f. government caucus chair: \$5,000;
 - g. official opposition caucus chair: \$5,000;
 - h. third party caucus chair (if caucus is five or more MHAs): \$5,000;
 - i. government house leader: \$25,000; and
 - j. deputy government house leader: \$9,000;
4. Amend the **House of Assembly Accountability, Integrity and Administration Act** to pay the chairpersons of committees of the House other than the Public Accounts Committee a \$200 per diem per meeting for meetings held when the House is not in session;
5. Amend the **House of Assembly Accountability, Integrity and Administration Act** to pay the members of the Management Commission and the committees of the House other than the vice chairperson of the Public Accounts Committee a \$150 per diem per meeting for meetings held when the House is not in session;

6. Amend the **House of Assembly Accountability, Integrity and Administration Act** to establish the maximum that can be received for meetings referenced in 4. and 5. above cannot exceed a combined total of \$5,000 in a fiscal year;
7. Amend the **House of Assembly Accountability, Integrity and Administration Act** that if an MHA holds an additional-salary position, a ministerial position or committee membership at the same time, they are entitled to only the additional salary or per diem of the highest compensated position;

Respecting salary adjustment formula

8. Amend the **House of Assembly Accountability, Integrity and Administration Act**, commencing on July 1, 2025, to adjust the MHA annual salary, additional-salary positions and committee maximums by the percentage change in the consumer price index in Newfoundland and Labrador (all items) on December 31 of the previous calendar year to a maximum of the percentage increase provided in the executive pay plan for the current calendar year;

Respecting severance

9. Continue to pay MHA severance, but rename it “transitional allowance,” with the same provisions afforded to all MHAs regardless of when elected;
10. Calculate the transitional allowance using 100 per cent of the annual salary with a formula of one month for every year of service, prorated by number of days served for part-years of service, with a minimum of three months and a maximum of 12 months regardless of the reason for departure and with no three-year minimum, except if the seat has been declared vacated;
11. Pay the transitional allowance in no more than two installments in the fiscal year in which it is incurred;
12. Continue to recognize an MHA returning after a break in service as commencing their first General Assembly, regardless of how many Assemblies they have served previously;
13. Remove the linkage of the transitional allowance to pension or post-employment status;
14. Provide up to \$2,500, with receipts, for career counselling, training and education for up to one year after the resignation or defeat of an MHA who has served at least one General Assembly and whose seat has not been declared vacated;

Respecting pensions

15. Continue pension provisions for current MHAs elected after the November 30, 2015 general election;

16. Amend the **Members of the House of Assembly Retiring Allowances Act**, with retroactive effect, to provide the pension benefit accrual rate and retirement eligibility under the MHA pension plan as it existed on November 30, 2015 for all MHAs elected for the first time on November 30, 2015 to the pension benefit accrual rate and retirement eligibility that existed on November 30, 2015;

Respecting allowances

17. Reimburse all MHA mileage claims at the Treasury Board Secretariat designated rate, provided the designated rate is not greater than the basic reasonable per-kilometre allowance permitted by the Canada Revenue Agency (CRA), in which case the Canadian Revenue Agency basic rate should be used;
18. Remove the restriction on claiming mileage within the 60-kilometre commuting zone by MHAs from outside this zone;
19. Remove the prohibition on claiming parking expenses on MHAs' private vehicles when availing of rental vehicles under the intra- and extra-constituency allowance;
20. Provide all districts in the capital region as well as the districts of Corner Brook, Harbour Grace - Port de Grave and Labrador West the option to avail of the \$200/month vehicle allowance;
21. Provide authority to the Management Commission, in the **Members' Resources and Allowances Rules**, to designate in extraordinary circumstances that travel and living expenses may be considered an extra-constituency expense and charged against the intra- and extra-constituency allowance;
22. Adopt the Treasury Board Secretariat meal rates as the per diem meal rates for MHAs;
23. Continue to prorate the eligibility to claim meal expenses in accordance with the Treasury Board Secretariat policy;
24. Continue the prohibition on claiming meal expenses while on travel status, where meal expenses are included as part of another reimbursable item;
25. Reimburse MHAs staying in commercial accommodations without cooking facilities in the capital region when travelling on House-in-session or House-not-in-session status the reasonable expense of meals, exclusive of the purchase of alcoholic beverages, based on a combination of receipts and per diem charges, as appropriate, to a maximum of \$75 (HST included) daily;

26. Allow MHAs on approved international travel to claim meal per diems as stipulated in the federal Treasury Board's Travel Directive without seeking further approval;
27. Provide for MHAs on travel status outside the province to claim a combination of receipted meal purchases and per diems, as appropriate, to a maximum of \$100 (Canadian HST included) per day;
28. Eliminate the existing office operations allowance, constituency allowance and office-start-up allowance;
29. Establish a new office and constituency operations allowance in accordance with the following:
 - a. Provide a funding allocation of \$15,000 (HST included), consisting of the \$12,000 (HST included) from the office operations allowance and the \$3,000 (HST included) from the constituency allowance;
 - b. State eligible expenses in broad categories, allowing purchasing of the normal goods and services in reasonable quantities generally required to operate the office and the constituency;
 - c. Continue the established prohibitions on donations, sponsorships, use of funding for political purposes and purchases of gifts, personal items, alcohol and cannabis, except for the prohibition on meals in eating establishments, which should be removed;
 - d. Add the expensing of meals in eating establishments for the purpose of conducting constituency-related meetings as an eligible expense;
 - e. Clarify that, for events for which the MHA provides hospitality, the MHA may attend either in-person or virtually, providing that the virtual attendance is interactive;
 - f. Require the Management Commission to issue a document providing guidance regarding normal office and constituency expenses and what constitutes reasonable quantities;
 - g. Continue the Management Commission's authority to issue directives regarding the use of the allowance; and
 - h. Require the audit committee of the Management Commission to review the nature of purchases of this allowance on an annual basis and make recommendations to the Management Commission regarding MHAs' use of the allowance;

Respecting other provisions

30. Amend the **Members' Resources and Allowances Rules** respecting constituency offices to be operated in government-owned/leased space, if available, to exclude Confederation Building Complex from government-owned/leased space;

Respecting commencement

31. Bring into force the recommendations concerning salary, severance and allowances on April 1, 2024; and
32. Apply the recommendations concerning pensions to all MHAs first elected on November 30, 2015.

A large iceberg floating in the ocean, with its reflection visible in the water. The iceberg is mostly white and has a jagged, mountain-like shape. The water is dark and calm, creating a clear reflection of the iceberg. The sky is a pale, hazy blue. The overall image is semi-transparent, allowing the text below to be visible.

FAIR & REASONABLE COMPENSATION

In New Brunswick, the 2022 Independent Review Committee⁶ – that jurisdiction’s equivalent to Newfoundland and Labrador’s Members’ Compensation Review Committee – based its recommendations on the following guiding principles outlined in its terms of reference:

The job of an MLA is representative of a full-time occupation. MLAs should be compensated at a fair and reasonable level to ensure that capable individuals continue to offer themselves for public services. Compensation levels should not be so small that they discourage qualified candidates from running, or so generous as to be a major inducement for seeking office.

Quebec’s equivalent to the MCRC, the Independent Advisory Board, endorsed these principals in its report of April 2023⁷.

The 2024 MCRC endorses the above principles of fair and reasonable compensation for MHAs. Further, the 2024 MCRC asserts that fair and reasonable compensation of MHAs would expand opportunities for people from diverse backgrounds to run for public office in this province.

⁶ Report of the Independent Committee Established to Review and Make Recommendations on the Salaries and Benefits of Members of the Legislative Assembly of New Brunswick, Independent Review Committee, September 29, 2022, p. 52.

⁷ A Winning Equation for Democracy: Valuation of the Function Parliamentarians & Fair Compensation, Independent Advisory Board on the revision of the annual allowance of the members of the National Assembly, Independent Advisory Board, April 2023, p. 47.



FACTORS

Like the Nova Scotia Remuneration Review in 2022⁸, the 2024 MCRC considered factors to determine fair and reasonable compensation, including:

1. The roles and responsibilities of MHAs, additional-salary positions and members of committees and the Management Commission;
2. Member salaries, additional-salary position salaries, per diems, severance, allowances and pensions in other Canadian jurisdictions;
3. The salaries of core public service assistant deputy ministers (ADMs) and deputy ministers (DMs) of Newfoundland and Labrador;
4. The relationship to public sector wages, allowances, pensions and severance;
5. The benefits under the MHA pension plan (MHAPP);
6. The financial status of the MHA pension plan;
7. The membership of the current MHA pension plan;
8. The actual allowance usage over the 2016-17 to 2022-23 period;
9. The ministerial allowances provided by the executive branch;
10. The public's opinion respecting fair and reasonable compensation of MHAs;
11. The MHAs' opinions respecting fair and reasonable compensation for their profession; and
12. The province's economic position and fiscal capacity.

⁸ Remuneration Review: Report of Remuneration Review Panel appointed by the Speaker of the Nova Scotia House of Assembly, Nova Scotia Remuneration Panel, July 2022, p. 8.



MHA ANNUAL SALARY

The 2024 MCRC's mandate to report on the salaries paid to MHAs includes recommending an MHA annual salary.

Background

With the passage of the **House of Assembly Accountability, Integrity and Administration Act**⁹ in 2007, the structure of base MHA compensation changed from an annual indemnity plus a non-taxable allowance to an annual salary. The annual salary set in subsection 11(1)¹⁰ of the **House of Assembly Accountability, Integrity and Administration Act** at that time was \$92,580, as calculated in Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters¹¹. Subsection 15(2) of the **House of Assembly Accountability, Integrity and Administration Act**¹² provided for salary adjustments to occur annually on July 1 by a percentage equivalent to the annual increase to the executive pay plan for government in the previous year¹³. This adjustment formula would remain in place until the House amended the **House of Assembly Accountability, Integrity and Administration Act** to implement future recommendations of an MCRC.

Accordingly, on July 1, 2008, MHA annual salary was adjusted by 3 per cent to \$95,327 due to the executive pay plan increase of 3 per cent on July 1, 2007. Once again on July 1, 2009, MHA annual salary was adjusted by 8 per cent to \$102,986 due to the executive pay plan increase of 8 per cent on July 1, 2008.

On July 6, 2009, the House of Assembly appointed the first MCRC in accordance with subsection 16(1)¹⁴ of the **House of Assembly Accountability, Integrity and Administration Act**. The 2009 MCRC¹⁵ reported on October 30, 2009, recommending:

1. The 8 per cent salary increase which commenced on salaries referred to in subsections 11(1) and 12(1) of the Act on July 1, 2009 to be relinquished and the salary for an MHA will be the salary in place on June 30, 2009.
2. The salary referred to in number 1 above be frozen at that level pending the recommendations of the next Members' Compensation Review Committee appointed in accordance with the Act.

The House of Assembly passed an amendment to the **House of Assembly Accountability, Integrity and Administration Act** to give effect to the 2009 MCRC recommendations, which received Royal Assent on

⁹ HOAAIAA, SNL2007, c.H-10.1.

¹⁰ Ibid.

¹¹ Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, pp. 9-12.

¹² HOAAIAA, SNL2007, c.H-10.1.

¹³ The executive pay plan, which is used to compensate executive positions (e.g., deputy ministers and assistant deputy ministers), is one of a number of government pay scales found online: [Publications - Treasury Board Secretariat \(gov.nl.ca\)](#). The executive pay plan is usually adjusted several months following the adjustment of pay scales associated with the collective bargaining process.

¹⁴ HOAAIAA, SNL2007, c.H-10.1.

¹⁵ Review of: MHA Salaries, Allowances, Severance Payments and Pensions, MCRC, October 2009, p. 21.

December 22, 2009¹⁶. The MHA annual salary then rolled back to \$95,327, with the adjusting formula repealed until such time a new MCRC made recommendations.

The 2012 MCRC¹⁷ recommended freezing MHA annual salaries until December 2013, to be adjusted annually in accordance with the consumer price index. The Management Commission did not accept that recommendation and annual MHA salaries remained frozen¹⁸. The 2016 MCRC¹⁹ recommended that commencing with the completion of the next public sector union negotiations, MHA salaries shall be adjusted in accordance with the average negotiated percentage adjustments related to the General Service Agreement, the Health Professionals Collective Agreement, the Registered Nurses' Union Collective Agreement and the Royal Newfoundland Constabulary Collective Agreement. The rationale was that the good-faith negotiation process with public sector unions would balance the needs of public employees with the public's ability to pay²⁰.

The House of Assembly adopted the adjustment mechanism as the 2016 MCRC recommended and amended the **House of Assembly Accountability, Integrity and Administration Act**²¹ accordingly in 2017. The House of Assembly subsequently repealed the formula in 2021²² before it could come into effect.

As a result, 15 years later, the MHA annual salary remains frozen at the 2009 level of \$95,327.

Analysis

To determine whether the existing MHA annual salary is fair and reasonable, the 2024 MCRC considered the following factors:

1. Roles and responsibilities of MHAs

The 2016 MCRC²³ defines the roles and responsibilities of MHA as follows:

The MHA is at once an ombudsman, social worker, legal advocate, crisis intervener, even occasionally a father confessor. Members provide information and problem solve issues for constituents on government policies, services and programs. This requires knowledge of government and the ability to discern the big policies and the small issues. MHAs must understand their communities and be sensitive to their needs. In order to achieve this, the MHA needs to be present and accessible in their communities and have the ability to engage their constituents and listen to all concerns.

¹⁶ **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2009, c.42, s.1 and s.3.

¹⁷ MHA Salaries, Allowances, Severance Payments and Pensions Review, MCRC, November 2012, p. 16.

¹⁸ Online: [Minutes2013Feb27.pdf \(assembly.nl.ca\)](#).

¹⁹ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 31.

²⁰ Ibid, p. 30.

²¹ **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2017, c.8, s.1.

²² **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2021, c.6, s.1.

²³ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 13.

Members of the House of Assembly are expected to represent their constituents, even those that did not elect them, and act as their spokesperson. They also represent the broader civil society. They are responsible to their political parties and their party leaders. They need to research and be prepared to help make decisions with regard to policy, finances, and issues of concern to the residents of the province. As a trustee of the people, they must ensure that government is accountable to the people. Working with their fellow Members, they will be debating, deliberating, and voting on legislation to create laws. Many will serve on committees, be active in their caucuses and have additional jobs and responsibilities assigned to them by their party leaders.

Whether they are the first point of government contact for their constituents or acting as legislators, Members must either possess or develop the requisite skill set to meet the demands outlined above. They will be expected to speak publicly; engage in their communities; have the ability to create new ideas; be able to multi-task and manage their time effectively; and manage their constituency offices.

The 2024 MCRC agrees with the New Brunswick 2022 Independent Review Committee report²⁴:

“Few positions are more important to our status as a free and democratic society than that held by our elected representatives.” Citizens want and deserve to be led by the best and brightest. We want leaders in their fields to run for election at all levels of government. We should also want diversity, in all its incarnations.

...

There are four principal aspects to an MLA’s job:

- a. Sitting in the Legislature;
- b. Sitting on legislative committees;
- c. Working in caucus;
- d. Working in their constituency.

The 2024 MCRC agrees with this assessment of the importance of elected officials: the Government of Newfoundland and Labrador is a \$10-billion entity, and the 40 MHAs are the stewards of that entity. The enormity of this responsibility guides the 2024 MCRC in providing recommendations that would attract skilled and diverse leaders to the role of MHA.

²⁴ Report of the Independent Committee Established to Review and Make Recommendations on the Salaries and Benefits of Members of the Legislative Assembly of New Brunswick, Independent Review Committee, September 29, 2022, pp. 3 and 12, respectively.

2. Jurisdictional comparison of annual salaries²⁵

While member salaries in other provinces and territories are relevant, it is important to remember that the politics and economics of each jurisdiction play a role in compensation. That said, the 2024 MCRC considered in its review the jurisdictional salary information²⁶ outlined below.

Jurisdiction	Members' Annual Salary
Quebec	\$131,766 + \$20,256 taxable allowance ²⁷ (effective date June 7, 2023)
Nunavut	\$112,942 + \$30,607 taxable allowance ²⁸ (effective date October 1, 2023)
Northwest Territories	\$117,986 + \$8,502 non-taxable allowance ²⁹ (effective date April 1, 2023)
Alberta	\$120,936 (effective date April 1, 2023)
British Columbia	\$119,533 (effective date April 1, 2024)
Ontario	\$116,550 (frozen since March 26, 2009)
Yukon	\$93,067 + \$23,261 taxable allowance ³⁰ (effective date April 1, 2024)
Saskatchewan	\$106,384 (effective date April 1, 2023)
Manitoba	\$102,998 (effective date April 1, 2023)
Newfoundland and Labrador	\$95,357 (frozen since December 22, 2009)
New Brunswick	\$93,126 (effective date November 1, 2024)
Nova Scotia	\$89,235 (frozen since January 1, 2013)
Prince Edward Island	\$82,116 (effective date April 1, 2024)

²⁵ Compiled from information provided by Canadian legislatures in January 2024. Salary information from the House of Commons and the Senate is not included.

²⁶ In addition to the annual salary, four jurisdictions provide non-accountable allowances to offset expenses. These allowances are taken into account when calculating total income.

²⁷ Online: [Indemnities and allowances - National Assembly of Québec \(assnat.qc.ca\)](https://assnat.qc.ca/).

²⁸ Online: [LEGISLATIVE ASSEMBLY AND EXECUTIVE COUNCIL ACT, Official Consolidation of Legislation \(nunavutlegislation.ca\)](https://nunavutlegislation.ca/).

²⁹ Online: [Pay and Benefits | Legislative Assembly of The Northwest Territories \(ntassembly.ca\)](https://ntassembly.ca/).

³⁰ Online: [Members' Salaries and Benefits | Yukon Legislative Assembly \(yukonassembly.ca\)](https://yukonassembly.ca/).

Here, annual salaries are organized highest to lowest by jurisdiction. As shown, the MHA annual salary in Newfoundland and Labrador ranks tenth among the 13 provinces and territories. In 2007, Newfoundland and Labrador ranked fifth³¹ of the thirteen jurisdictions in annual compensation.

For comparison purposes, Rebuilding Confidence³² considered Newfoundland and Labrador's jurisdictional peers to be Saskatchewan, Manitoba and the other Atlantic provinces. In Green's opinion, that peer group is closest in population, size and geographic proximity and faces similar social and fiscal challenges. In the peer group, Newfoundland and Labrador's MHA annual salary ranks third out of six – the middle of the pack.

Importantly, legislatures have intervened to modify salary recommendations:

- In New Brunswick, the increase in the annual salary on November 1, 2024 will be the first increase in that province since 2008³³.
- In 2009, Ontario passed legislation to freeze the annual salary, which is still in place³⁴.
- In Nova Scotia, the annual salary has remained at the 2013 level, after a 2021 legislative amendment that overturned a recommended an increase³⁵.
- In Alberta, following the adoption of the recommendation of the 2012 compensation review, the annual salary was established at \$134,000 and was to be adjusted annually based on Alberta's consumer price index. Since then, salaries have either been frozen or reduced based on an approved motion of the Special Standing Committee on Members' Services so that the current annual salary of \$120,936 has been in place since August 2019³⁶.
- In British Columbia, the legislature has periodically passed legislation to pause the adjustment formula on the annual salary³⁷.

3. Salaries of core public service assistant deputy ministers and deputy ministers

The salaries paid to assistant deputy ministers and deputy ministers is a useful comparator for MHA salaries. Assistant deputy minister and deputy minister average annual salaries in 2023 were \$142,899 and \$176,305, respectively³⁸. The MHA annual salary of \$95,327 is significantly lower than both, equal to 67 per cent of the average assistant deputy minister salary and 54 per cent of the average deputy minister salary.

³¹ Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, p. 9-9, Chart 9.2.

³² *Ibid.*, pp. 9-38.

³³ Online: [An Act Respecting the Executive Council Act and the Legislative Assembly Act - Legislative Assembly of New Brunswick \(legnb.ca\)](https://www.legnb.ca/legislation/acts/act-10).

³⁴ Online: [Legislative Assembly Act, R.S.O. 1990, c. L.10 \(ontario.ca\)](https://www.ontario.ca/laws/statutes/990/10).

³⁵ Online: [House of Assembly Act \(nslegislature.ca\)](https://www.nslegislature.ca/legislation/acts/act-10).

³⁶ Online: [Alberta MLA Compensation Adjustments \(assembly.ab.ca\)](https://www.assembly.ab.ca/legislation/acts/act-10).

³⁷ Online: [Members' Remuneration and Pensions Act \(gov.bc.ca\)](https://www.gov.bc.ca/legislation/acts/act-10).

³⁸ [Appendix C](#) is a chart with the data supplied by the Treasury Board Secretariat to calculate the average salaries.

As noted in Rebuilding Confidence³⁹, when comparing the basic income entitlement of an MHA to the average earnings of other groups, such as assistant deputy ministers, 63 per cent⁴⁰ of MHAs receive additional remuneration in the form of ministerial and other assigned legislative duties⁴¹. Furthermore, in terms of total compensation, due consideration must be given to MHA pension entitlements, which surpass those in the public service.

4. Relationship to public sector wages

The MHA annual salary has dramatically fallen behind increases in annual salaries for the executive in the core public service.

In 2007, Rebuilding Confidence calculated MHA annual salary at \$92,580, 92.35 per cent of the assistant deputy minister's average salary of \$100,254⁴² and 70 per cent of the average deputy minister salary of \$132,042⁴³.

If the MHA annual salary and adjustment formula had continued in concert with public service wage increases, as legislated in the 2007 **House of Assembly Accountability, Integrity and Administration Act**, MHA annual salary in 2023 would be \$129,169, reflecting the increases in public sector wages, but delayed by one year⁴⁴. By 2023 standards, an MHA annual salary of \$129,169 would be 90 per cent of the average assistant deputy minister salary of \$142,899 and 73 per cent of the average deputy minister salary of \$176,305.

If the 2007 MHA annual salary was adjusted as legislated in the 2007 **House of Assembly Accountability, Integrity and Administration Act** and as recommended by the 2009, 2012 and 2016 MCRCs, the MHA annual salary for 2023 would be \$126,828⁴⁵. By 2023 standards, this salary is 89 per cent of the average deputy minister salary of \$142,899 and 72 per cent of the average deputy minister salary of \$176,305.

5. Public opinion⁴⁶

The 2024 MCRC heard no members of the public express the position that MHAs were overpaid, and all asserted a raise is necessary, suggesting an MHA annual salary from \$120,000 to \$200,000. Some public opinion suggested increasing the MHA annual salary would improve the quality of recruitment and remove barriers to diverse populations considering running for public office.

³⁹ Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, pp. 9-8, footnote 31.

⁴⁰ There are 40 MHAs (online: [House of Assembly - NL - Members \(assembly.nl.ca\)](https://www.assembly.nl.ca/members)). There are 17 MHAs in cabinet (online: [Cabinet - Government of Newfoundland and Labrador \(gov.nl.ca\)](https://www.gov.nl.ca/cabinet)). Eight MHAs hold additional-salary positions (**HOAIIAA**, SNL2007, c.H-10.1., s 12(1)). As a result, 25 out of 40 MHAs receive additional remuneration.

⁴¹ For brevity, this report refers to these legislative duties as "additional-salary positions."

⁴² Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, p. 9-8.

⁴³ Online: [Departmental Salary Details 2008-2009 \(dai.mun.ca\)](https://www.dai.mun.ca).

⁴⁴ [Appendix D](#) is a table calculating MHA annual salary using the formula originally legislated in the 2007 **HOAIIAA** and a table calculating MHA annual salary using the legislated formula from 2008 to 2013, the consumer price index formula recommended by the 2012 MCRC from 2013 to 2015 and the average of four collective agreements recommended by the 2016 MCRC.

⁴⁵ Ibid.

⁴⁶ [Appendix E](#) details what the 2024 MCRC heard from the public.

6. MHAs' views⁴⁷

The 2024 MCRC heard from many MHAs that the current MHA annual salary is not reasonable. Some asserted that an increase is warranted as – unlike salaries for other professions – the MHA annual salary has not increased in 15 years. Some MHAs suggested a salary increase would promote the recruitment of diverse and qualified candidates, while also reflecting the time commitment and expectations of the position.

7. Province's economic position and fiscal capacity⁴⁸

The economy is an important factor when considering fair and reasonable compensation for MHAs. To understand the province's economic position and fiscal capacity, the 2024 MCRC reviewed Budget 2023, including The Economy⁴⁹, the Budget 2023 news release⁵⁰, the 2023 Economic Update⁵¹ and the 2023 mid-year fiscal and economic update news release⁵². These documents demonstrate that the province is in a strong economic and stable fiscal position.

Summary

As indicated above, Newfoundland and Labrador is in the middle of the pack when it comes to the annual member salaries of its jurisdictional peer group and in the bottom quarter provincially and territorially. The 2024 MCRC also notes the New Brunswick legislature, which froze the annual salary for a length of time comparable to Newfoundland and Labrador, is increasing the salary this year. Further, public and MHA perception, as heard by the 2024 MCRC, indicate general attitudes favour increasing the MHA annual salary to appropriately remunerate MHAs and attract diverse and qualified candidates to run for public office.

On its face, the failure to provide an increase to the MHA annual salary since 2009 is unfair at best; at worst, it is a detriment to our democracy by potentially discouraging diversity and excellence in the provincial legislature. Therefore, the 2024 MCRC asserts that the status quo for the MHA annual salary is not an option.

To correct a 15-year freeze, the 2024 MCRC recommends an increase in the MHA annual salary to \$120,000 for the following reasons:

- The roles and responsibilities of an MHA are critical to our democratic government;
- The current MHA annual salary of \$95,327 falls in the middle of its jurisdictional peer group;
- Since 2007, the MHA annual salary has fallen from fourth to tenth provincially and territorially;
- The salary gap between deputy ministers/assistant deputy ministers and MHAs is significant, and has widened considerably since 2007;

⁴⁷ [Appendix F](#) details what the 2024 MCRC heard from MHAs.

⁴⁸ [Appendix G](#) provides references supporting this finding.

⁴⁹ Online: <https://www.gov.nl.ca/fin/files/The-Economy-2023.pdf> (gov.nl.ca).

⁵⁰ Online: [Budget 2023 Prioritizes the Health of Newfoundland and Labrador - News Releases](#) (gov.nl.ca).

⁵¹ Online: [2023-Economic-Update.pdf](#) (gov.nl.ca).

⁵² Online: [Stable Fiscal and Economic Outlook for Newfoundland and Labrador - News Releases](#) (gov.nl.ca).

- MHA salaries have dramatically fallen behind the public sector since 2007;
- The public is supportive of an increase;
- MHAs believe a salary increase would ensure diversity, attract qualified candidates, remedy the lack of an increase since 2009 and reflect the time commitment and expectations of the position; and
- The economy can withstand the increase.

An increase in Newfoundland and Labrador’s MHA annual salary to \$120,000 would move its ranking to first in its peer group and fifth out of the other Canadian jurisdictions in total annual compensation, behind Quebec at \$131,766, Alberta at \$120,936, and Nunavut and Northwest Territories, which have non-accountable allowances included in their total annual compensation. Such an increase would put the MHA annual salary at 84 per cent of the average assistant deputy minister salary of \$142,899 and 68 per cent of the average deputy minister salary of \$176,305, consistent with the gap that existed in 2007 prior to MHA salaries freezing for a considerable period.

Recommendation

The 2024 MCRC makes the following recommendation:

- Set the annual salary for an MHA, detailed in section 11 of the **House of Assembly Accountability, Integrity and Administration Act**, to \$120,000.



ADDITIONAL COMPENSATION

The 2024 MCRC's mandate includes reviewing and making recommendations regarding additional-salary positions identified in subsection 12(1) of the **House of Assembly Accountability, Integrity and Administration Act**.

Background

The 2007 **House of Assembly Accountability, Integrity and Administration Act** listed 11 positions in subsection 12(1)⁵³ entitled to an additional salary with a corresponding amount. Pursuant to then subsection 15(2) of the **House of Assembly Accountability, Integrity and Administration Act**⁵⁴:

- on July 1, 2008, the salaries were increased by the 3 per cent executive pay plan increase of July 1, 2007; and
- on July 1, 2009, the salaries were increased by the 8 per cent executive pay plan increase of July 1, 2008.

The 2009 MCRC⁵⁵ recommended that the 8 per cent salary increase for positions in subsection 12(1) be relinquished and the salary would be that in place on June 30, 2009. The amendment to the **House of Assembly Accountability, Integrity and Administration Act** to give effect to these recommendations passed in 2009⁵⁶, rolling back the additional salaries.

The 2012 MCRC⁵⁷ recommended freezing the additional salaries until December 2013, then adjusted annually in accordance with changes in the consumer price index. The Management Commission did not accept that recommendation and the additional salaries remained at the 2009 level⁵⁸.

The 2016 MCRC⁵⁹ recommendations resulted in a decrease of the number of additional-salary positions to the eight positions currently listed in subsection 12(1) of the **House of Assembly Accountability, Integrity and Administration Act**. The 2016 MCRC further recommended⁶⁰ that the House of Assembly amend subsection 12(1) of the **House of Assembly Accountability, Integrity and Administration Act** to remove the positions and salaries for the deputy chair of committees, deputy opposition house leader, party whip and caucus chair.

The 2016 MCRC recommendations were accepted, and the legislature amended the **House of Assembly Accountability, Integrity and Administration Act** accordingly in 2017⁶¹. Despite these changes, the positions continued to exist, with MHAs carrying out the important duties required for a functioning parliament⁶².

In addition to the eight positions in subsection 12(1) and the four positions eliminated by the 2016 MCRC, the 2024 MCRC added the government house leader and deputy government house leader positions to its review.

⁵³ HOAIIAA, SNL2007, c.H-10.1.

⁵⁴ Ibid.

⁵⁵ Review of: MHA Salaries, Allowances, Severance Payments and Pensions, MCRC, October 2009, p. 21.

⁵⁶ **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2009, c.42, s.2 and s.3.

⁵⁷ MHA Salaries, Allowances, Severance Payments and Pensions Review, MCRC, November 2012, p. 16.

⁵⁸ Online: [Minutes2013Feb27.pdf \(assembly.nl.ca\)](#).

⁵⁹ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 36.

⁶⁰ Ibid.

⁶¹ **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2017, c.8, s.2.

⁶² [Appendix H](#) illustrates the history of the positions and salaries from 2007 to date.

The 2024 MCRC has also added House committees and the Management Commission to its review of additional compensation. In this regard, prior to 2016, MHAs sitting on House committees and the Management Commission received a per diem of \$190 for the chairperson and \$145 for each member if the meeting occurred when the House was not in session⁶³. The Management Commission established this per diem in 2008.

Prior to the legislature implementing recommendations of the 2016 MCRC, subsection 12(3)⁶⁴ of the **House of Assembly Accountability, Integrity and Administration Act** stated:

A member who sits on a committee of the House of Assembly, the commission or a committee of the commission may be paid, subject to the conditions and limitations prescribed by the commission, a daily amount of not more than \$200 for attendance at meetings plus reimbursement of reasonable expenses in relation to that attendance when the House is not in session.

The 2016 MCRC⁶⁵ recommended removing per diems. The legislature accepted this recommendation, and in 2017⁶⁶ repealed and substituted subsection 12(3) of the **House of Assembly Accountability, Integrity and Administration Act**, as follows:

A member who sits on a committee of the House of Assembly, the commission or a committee of the commission, shall not be paid for attendance at meetings.

Analysis

To determine whether the current structure for paid and unpaid parliamentary duties is fair and reasonable, the 2024 MCRC considered the following factors:

1. Roles and responsibilities of additional-salary positions, committees and Management Commission

[Appendix I](#) lists the additional-salary positions with the roles and responsibilities considered by the 2024 MCRC.

There are three types of committees⁶⁷ associated with the work of the House of Assembly:

- Striking Committee;
- Standing committees:
 - Public Accounts;
 - Government Services;
 - Resource;
 - Social Services;

⁶³ Online: [Microsoft Word - HOAMC ruleamendmentCOMMITTEEPERDIEM.DOC](#) (assembly.nl.ca).

⁶⁴ HOAIIAA, SNL2007, c.H-10.1.

⁶⁵ [Review of MHA Salaries, Allowances, Pensions & Severance](#), MCRC, November 2016, p. 39.

⁶⁶ **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2017, c.8, s.2.

⁶⁷ [Appendix J](#) further details the committees and their roles.

- Privileges and Elections;
- Standing Orders; and
- Select committees.

Committee work is important to democracy. Committees meet during and between House of Assembly sessions and may take considerable time⁶⁸. For example:

- Since 2012, 51 of the 53 meetings of the Government Services Committee occurred when the House was in session;
- Since 2012, all 63 meetings of the Resource Committee occurred when the House was in session;
- Since 2012, all 72 meetings of the Social Services Committee occurred when the House was in session;
- Since 2015, 23 meetings of the Standing Orders Committee occurred when the House was not in session;
- Since 2017, 29 meetings of the Privileges and Elections Committee occurred when the House was not in session; and
- Since 2012, 93 meetings of the Public Accounts Committee occurred when the House was not in session.
 - Since 2012, this committee has had 144 meetings⁶⁹. In the 50th General Assembly to date, the committee has met for 78 hours and 27 minutes.

MHAs must populate the six standing committees and, necessarily, some MHAs sit on several committees resulting in several days of meetings. Nine MHAs sit on more than one standing committee; three sit on three standing committees and two sit on four standing committees.

There are currently no select committees.

Additionally, the Management Commission is a non-partisan body overseeing the financial and administrative operations of the House of Assembly⁷⁰. From 2012 to the end of January 2024, the Commission met 103 times, of which 61 occurred when the House was not in session⁷¹.

2. Jurisdictional comparison of additional-salary positions and remuneration for committee work

To formulate the jurisdictional scans of additional-salary position and committee work compensation, the 2024 MCRC sought input from other provincial and territorial legislatures in January 2024⁷².

The following is a list of salaries paid to presiding officers of legislatures, i.e., speakers, deputy speakers and deputy chairs of committees. These positions exist in all Canadian legislatures. Some jurisdictions have more than one deputy speaker rather than, or in addition to, a deputy chair of committees.

⁶⁸ [Appendix K](#) charts the meetings of each standing committee since 2012.

⁶⁹ [Appendix K](#) contains committee meeting analysis.

⁷⁰ Online: House of Assembly - NL - Management Commission (assembly.nl.ca).

⁷¹ Online: [House of Assembly - NL - Management Commission - Meetings \(assembly.nl.ca\)](#).

⁷² The jurisdictional information provided has an effective date as provided in the table on p. 28 of this report.

Jurisdiction	Speaker	Deputy Speaker	Assistant Deputy Speaker	Deputy Chair of Committees
British Columbia	\$59,766	\$41,836	\$41,836	\$23,907
Alberta	\$60,468	\$30,240		\$15,120
Saskatchewan	\$54,164	\$15,828		\$7,916
Manitoba	\$56,390	\$11,636		\$8,310
Ontario	\$36,364	\$17,249		\$12,704
Quebec	\$98,825	\$46,118		
New Brunswick	\$62,022	\$31,011		
Nova Scotia	\$49,047	\$24,523		
Prince Edward Island	\$54,885	\$27,442		
Newfoundland and Labrador	\$48,665	\$12,166		
Yukon	\$46,546	\$18,589		
Northwest Territories	\$55,475	\$8,309		\$4,987
Nunavut	\$87,594	\$22,589		\$5,925

This jurisdictional information illustrates the following:

- **Speaker:** Newfoundland and Labrador ranks 11th out of 13 jurisdictions.
- **Deputy speaker and chair of committees:** Newfoundland and Labrador ranks 11th out of 13 jurisdictions.
- **Deputy chair of committees:** seven jurisdictions remunerate this position, while two jurisdictions, including Newfoundland and Labrador, do not remunerate this position. Most jurisdictions that do not have this position have multiple deputy speaker positions.

The following outlines remuneration provided to leaders and house leaders in other jurisdictions, except for the Premier, who the executive branch compensates as a member of Executive Council.

Jurisdiction	Government		Official Opposition			Recognized Third Party			
	House Leader	Deputy House Leader	Leader	Deputy Leader	House Leader	Deputy House Leader	Leader	House leader	Deputy House Leader
British Columbia			\$59,766		\$23,907		\$29,883	\$11,953	
Alberta		\$12,096	\$60,468		\$15,120		\$27,216	\$12,096	
Saskatchewan	\$15,828	\$7,916	\$54,164	\$15,828	\$15,828	\$7,916	\$27,081	\$7,916	
Manitoba	\$11,636		\$56,390		\$8,310		\$47,529	\$6,650	
Ontario			\$64,336		\$21,329	\$10,490	\$41,608	\$18,182	\$9,557
Quebec		\$32,942	\$98,825		\$46,118	\$26,353	\$46,118	\$32,942	
New Brunswick	\$31,011		\$65,188		\$23,258		\$46,563	\$15,505	
Nova Scotia	\$10,506	\$5,253	\$49,047		\$10,506	\$5,253	\$24,523	\$10,506	
Prince Edward Island	\$14,780		\$54,885		\$14,780		\$27,442	\$14,780	
Newfoundland & Labrador			\$48,665		\$24,330		\$24,330	\$12,166	
Yukon			\$50,114				\$24,893		
Northwest Territories									
Nunavut									

This jurisdictional information illustrates the following:

- **Leader of the official opposition:** 11 jurisdictions remunerate this position, with Newfoundland and Labrador ranking 10th; two jurisdictions do not remunerate this position.
- **Official opposition house leader:** 10 jurisdictions remunerate this position, with Newfoundland and Labrador ranking second; three jurisdictions do not remunerate this position.
- **Deputy opposition house leader:** four jurisdictions remunerate this position; nine jurisdictions, including Newfoundland and Labrador, do not remunerate this position.
- **Leader of a third party:** 11 jurisdictions remunerate this position, with Newfoundland and Labrador ranking 10th; two jurisdictions do not remunerate this position.
- **Third party house leader:** 10 jurisdictions remunerate this position, with Newfoundland and Labrador ranking fifth; three jurisdictions do not remunerate this position.
- **Government house leader:** five jurisdictions remunerate this position when it is not filled by a minister; eight jurisdictions, including Newfoundland and Labrador, do not remunerate this position.
- **Deputy government house leader:** four provinces remunerate this position when it is not filled by a minister; nine jurisdictions, including Newfoundland and Labrador, do not remunerate this position.

The following outlines remuneration paid to party whips.

Jurisdiction	Government			Official Opposition		Recognized Third Party	
	(Chief) Whip	Deputy Whip	Other Whips	(Chief) Whip	Deputy Whip	Whip	Deputy Whip
British Columbia	\$23,907	\$17,930		\$23,907	\$17,930	\$11,953	
Alberta	\$12,096	\$9,072		\$9,072	\$7,260	\$7,260	
Saskatchewan	\$15,828	\$7,916		\$15,828	\$7,916	\$7,916	
Manitoba	\$8,310			\$6,650		\$4,989	
Ontario	\$21,329	\$14,569	\$10,490	\$16,317	\$10,490	\$14,685	\$9,557
Quebec	\$46,118	\$26,353		\$39,530	\$26,353	\$26,353	
New Brunswick	\$31,011			\$23,258			
Nova Scotia	\$5,253			\$5,253		\$5,253	
Prince Edward Island	\$14,041			\$14,041		\$14,041	
Newfoundland & Labrador							
Yukon							
Northwest Territories							
Nunavut							

The jurisdictional information shows party whips are remunerated in nine jurisdictions; four jurisdictions, including Newfoundland and Labrador – as well Northwest Territories and Nunavut, consensus governments in which party whip is not a position – do not remunerate this position.

The following outlines the remuneration paid to caucus chairs.

Jurisdiction	Government		Official Opposition		(Recognized) Third Party	Consensus Government	
	Caucus Chair	Deputy Caucus Chair	Caucus Chair	Deputy Caucus Chair	Caucus Chair	Chair of Full Caucus	Chair of Regular Members' caucus
British Columbia	\$23,907		\$23,907		\$11,953		
Alberta							
Saskatchewan	\$15,828	\$7,916	\$15,828	\$7,916	\$7,916		
Manitoba	\$7,164		\$7,164				
Ontario	\$14,569		\$14,569		\$13,170		
Quebec	\$32,942		\$29,647				
New Brunswick	\$31,011		\$23,258				
Nova Scotia	\$10,506		\$10,506		\$5,253		
Prince Edward Island							
Newfoundland and Labrador							
Yukon							
Northwest Territories						\$3,682	
Nunavut						\$3,457	\$3,457

The jurisdictional information shows nine jurisdictions remunerate caucus chairs; four provinces, including Newfoundland and Labrador, do not remunerate this position.

The following shows the remuneration paid to members who sit on committees.

Jurisdiction	Chair	Chair standing committee (if different from another committee)	Chair select committee (if different from other committees)	Chair – Public Accounts Committee (if different from other committees)	Deputy Chair	Members
British Columbia	\$17,930				\$11,953	
Alberta	\$200 per meeting					
Saskatchewan*	\$15,828				\$7,916	\$126 per meeting
Manitoba	\$215 per meeting to annual max of \$4,989				\$215 per meeting to annual max of \$4,159	
Ontario	\$16,317				\$9,324	
Quebec **	\$32,943				\$26,353	
New Brunswick	\$200 per meeting					\$125 per meeting
Nova Scotia	\$2,101			\$3,152	\$525	
Prince Edward Island	\$161 per meeting to annual max of \$4,500					\$109 per meeting to annual max of \$4,159
Newfoundland & Labrador				\$12,166	\$9,300 (PAC only)	
Yukon						
Northwest Territories		\$7,362	\$3,682			
Nunavut	\$5,104					

* Eligible committees are Public Accounts, Human Services, Economy, Crown & Central Agencies, IGA & Justice

** Quebec compensates the Presiding Officer of Committees at \$19,765 and a Member of the Bureau of the National Assembly at \$19,765

This jurisdictional information illustrates the following:

- **Chairperson of the Public Accounts Committee:** Newfoundland and Labrador ranks fifth out of the eight jurisdictions that provide a salary for this position; New Brunswick provides a per diem of \$200 with no maximum, Prince Edward Island provides a per diem of \$161 to a maximum of \$4,500, Manitoba provides a per diem of \$215 to a maximum of \$4,989 and Alberta provides a \$200 per diem with no maximum. Yukon does not remunerate this position.
- **Vice chairperson of the Public Accounts Committee:** Newfoundland and Labrador ranks fourth out of the six jurisdictions that provide a salary for this position; New Brunswick provides a per diem of \$125, Prince Edward Island provides a per diem of \$109 to a maximum of \$4,500 and Manitoba provides a per diem of \$215 to a maximum of \$4,159. Yukon, Alberta, Nunavut and Northwest Territories do not remunerate this position.

Newfoundland and Labrador and Yukon are the only provincial and territorial legislatures that do not remunerate committee work. Newfoundland and Labrador does remunerate the Public Accounts Committee chairperson and vice chairperson, but Yukon does not.

Several provinces pay per diems for members to attend committee meetings:

- Alberta: \$200 to chairpersons;
- Manitoba: \$215 to chairpersons to an annual maximum of \$4,989 and \$125 to vice chairpersons, to a maximum of \$4,159;
- New Brunswick: \$200 to chairpersons and \$125 for members;
- Prince Edward Island: \$161 to chairpersons to an annual maximum of \$4,500 and \$109 to members to an annual maximum of \$4,159; and
- Saskatchewan: \$126 to members.

3. Public opinion

The 2024 MCRC did not hear public representation on this matter.

4. MHAs' views

The 2024 MCRC heard from MHAs who felt that the salaries eliminated by the 2016 MCRC should be reinstated, specifically for party whip, caucus chair, deputy chair of committees and deputy opposition house leader. The 2024 MCRC heard that these positions all take time from constituency work and legislative duties in attending sittings of the House.

For example, the deputy chair of committees is responsible for chairing the committee of the whole House, in addition to presiding over other proceedings of the House, when required. These responsibilities require familiarity with parliamentary procedure, attendance at preparation meetings and constant attention to procedural progress during sittings of the House. Some MHAs believe it is unreasonable to require an MHA to take on the extra responsibility and time commitment without appropriate compensation.

The 2024 MCRC also heard that the deputy speaker is not remunerated sufficiently for the responsibilities associated with the role.

The 2024 MCRC also heard that committee members should be remunerated, as preparation and attendance at committee meetings take significant time away from constituency work. Some MHAs felt they should not be expected to do committee work without remuneration. One MHA said committee responsibilities result in having to work late into the night to make up for time lost in the constituency during the day.

Some MHAs said committee members should either receive a per diem or compensation equal to half the compensation of the chairperson of the Public Accounts Committee.

Some MHAs felt that, considering the importance of the work of the Public Accounts Committee and Management Commission, the chairpersons, vice chairpersons and other MHAs serving on these entities should receive per diems, as it is not only the chairperson and vice chairperson who do the work of these entities. The 2024 MCRC heard that MHAs serving on the Standing Orders Committee and the Privileges and Elections Committee should get per diems, as they are active committees.

5. Province's economic position and fiscal capacity

As demonstrated above, the province is in a strong economic and stable fiscal position.

Summary

Upon analyzing the roles and responsibilities associated with the Westminster model of parliamentary democracy, how other Canadian provincial and territorial jurisdictions compensate these positions and committees, MHAs' views and the province's economic position, the 2024 MCRC recommends adjusting the salary of existing additional-salary positions, remunerating positions for which no additional salary is currently provided and remunerating committee and Management Commission work. Keeping a view to the guiding principles of fair and reasonable compensation for MHAs, especially those who take on crucial roles above and beyond their fundamental MHA duties, the 2024 MCRC recommends valuing our democracy by adjusting additional-salary positions accordingly and remunerating committee and Management Commission members.

In keeping with its guiding principles, the 2024 MCRC recommends increasing salaries for additional-salary positions to appropriately compensate MHAs and, in turn, create opportunities for a diverse and skilled population who otherwise may be unable to participate in these important democratic roles. Further, these increases would better align the positions with compensation provided in other jurisdictions as well as with comparable positions in the executive branch of the Government of Newfoundland and Labrador, where appropriate.

Positions currently remunerated

Specifically, the 2024 MCRC considered and recommends increases for the following additional-salary positions, which are currently remunerated in Newfoundland and Labrador:

- Speaker: an increase to \$55,000.
 - This would move the salary for Newfoundland and Labrador to slightly less than the median salary of \$55,575 in other jurisdictions.

- Combined with the MHA annual salary of \$120,000, the total compensation would be \$175,000, comparable to the current average deputy minister salary of \$176,305.
- Deputy speaker and chair of committees: an increase to \$25,000.
 - This would move the salary for Newfoundland and Labrador to sixth out of the other 13 jurisdictions.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$145,000, comparable to the current average assistant deputy minister salary of \$142,899.
- Leader of the official opposition: an increase to \$55,000.
 - This would move the salary for Newfoundland and Labrador to seventh out of the 11 other jurisdictions that remunerate the position⁷³.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$175,000, comparable to the average deputy minister salary of \$176,305.
- Official opposition house leader: an increase to \$25,000.
 - This would not change Newfoundland and Labrador's ranking amongst other jurisdictions.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$145,000, comparable to the average assistant deputy minister salary of \$142,899.
- Leader of a third party: an increase to \$30,000.
 - This would move the salary for Newfoundland and Labrador to fifth out of the 11 jurisdictions that remunerate this position, consistent with the average of \$33,263.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$150,000.
- Third party house leader: an increase to \$15,000.
 - This would move the salary for Newfoundland and Labrador to fourth out of the 10 provinces that remunerate this position, consistent with the average of \$14,270.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$135,000.
- Chairperson of the Public Accounts Committee: an increase to \$15,000.
 - This would not change Newfoundland and Labrador's ranking amongst other jurisdictions.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$135,000.
- Vice chairperson of the Public Accounts Committee: an increase to \$10,000.
 - This increase would move the salary for Newfoundland and Labrador to third out of the six other jurisdictions that remunerate this position, consistent with the average of \$10,895.
 - Combined with MHA annual salary of \$120,000, the total compensation would be \$130,000.

⁷³ Nunavut and Northwest Territories each have a consensus government model, which does not have a party system.

Positions not currently remunerated

Unlike most other Canadian jurisdictions, other additional-salary positions integral to the Westminster style of parliament receive no remuneration in Newfoundland and Labrador. As mentioned, these positions were previously compensated. The 2024 MCRC asserts these positions should be compensated, and that can only be accomplished by an MCRC recommendation⁷⁴.

Specifically, the 2024 MCRC considered and recommends increases for the following additional-salary positions, which are currently not remunerated in Newfoundland and Labrador:

- Deputy chair of committees: a salary of \$15,000.
 - This additional salary would move Newfoundland and Labrador's ranking to third out of the eight other jurisdictions that remunerate this position.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$135,000.
- Deputy opposition house leader: a salary of \$9,000.
 - This additional salary would move Newfoundland and Labrador's ranking to third out of the five other jurisdictions that remunerate this position.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$129,000.
- Party whip: a salary of \$5,000 for this position for the government, the official opposition and a third party with a caucus of five or more.
 - This additional salary would make Newfoundland and Labrador's ranking to the lowest of all jurisdictions that remunerate this position⁷⁵.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$125,000.
- Caucus chair: a salary of \$5,000 for this position for the government, the official opposition and a third party with a caucus of five or more.
 - This additional salary would make Newfoundland and Labrador's ranking the lowest of all jurisdictions that remunerate this position.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$125,000.

Government house leader and deputy government house leader

In Newfoundland and Labrador, the government house leader and deputy government house leader have traditionally been add-on responsibilities to ministerial duties. However, some provincial and territorial jurisdictions provide legislatures the ability to remunerate these positions, if a member other than a minister performs the role.

⁷⁴ HOAAIAA, SNL2007, c.H-10.1, s.15.

⁷⁵ Northwest Territories and Nunavut have consensus government model; the whip is not a position in this model.

Since salaries and positions can only be added or changed by an MCRC recommendation⁷⁶, the 2024 MCRC considered and recommends adding:

- Government house leader: a salary of \$25,000.
 - This additional salary would make Newfoundland and Labrador's ranking second of jurisdictions that remunerate this position.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$145,000, comparable to the average assistant deputy minister salary of \$142,899.
 - By adding this position, government has the option to appoint an MHA other than a minister to the role.
- Deputy government house leader: a salary of \$9,000.
 - This additional salary would make Newfoundland and Labrador's ranking third of all jurisdictions that remunerate this position.
 - Combined with the MHA annual salary of \$120,000, the total compensation would be \$129,000.
 - By adding this, government has the option to appoint an MHA other than a minister to the role.

Committees and Management Commission

The 2024 MCRC considered and recommends:

- Amending the **House of Assembly Accountability, Integrity and Administration Act** to pay the chairpersons of committees of the House other than the Public Accounts Committee a \$200 per diem per meeting for meetings held when the House is not in session;
- Amending the **House of Assembly Accountability, Integrity and Administration Act** to pay the members of the Management Commission and the committees of the House other than the vice chairperson of the Public Accounts Committee a \$150 per diem per meeting for meetings held when the House is not in session; and
- Amending the **House of Assembly Accountability, Integrity and Administration Act** to establish the maximum that can be received for meetings referenced above cannot exceed a combined total of \$5,000 in a fiscal year.

Clarification

It is a longstanding Government of Newfoundland and Labrador policy that compensation can only be paid for one position. This policy has always applied to the additional-salary positions in the legislature in that MHAs serving in more than one additional-salary position receives the compensation for the highest paid position.

For example, if an MHA serves as opposition house leader as well as the chairperson of the Public Accounts Committee simultaneously, the MHA only receives the salary of the opposition house leader.

⁷⁶ HOAIIAA, SNL2007, c.H-10.1, s.15.

To codify the practice, the 2024 MCRC recommends amending the **House of Assembly Accountability, Integrity and Administration Act** that if an MHA holds an additional-salary position, a ministerial position or committee membership at the same time, they are entitled to only the additional salary or per diem of the highest compensated position.

Recommendations

The 2024 MCRC makes the following recommendations:

- Set the salaries for the additional-salary positions detailed in section 12 of the **House of Assembly Accountability, Integrity and Administration Act** as follows:
 - speaker: \$55,000;
 - deputy speaker and chair of committees: \$25,000;
 - leader of the official opposition: \$55,000;
 - official opposition house leader: \$25,000;
 - leader of a third party: \$30,000;
 - third party house leader: \$15,000;
 - chairperson of the Public Accounts Committee: \$15,000; and
 - vice chairperson of the Public Accounts Committee: \$10,000;
- Add the following additional-salary positions to section 12 of the **House of Assembly Accountability, Integrity and Administration Act**:
 - deputy chair of committees: \$15,000;
 - deputy opposition house leader: \$9,000;
 - government party whip: \$5,000;
 - official opposition party whip: \$5,000;
 - third party whip (if caucus is five or more MHAs): \$5,000;
 - government caucus chair: \$5,000;
 - official opposition caucus chair: \$5,000;
 - third party caucus chair (if caucus is five or more MHAs): \$5,000;
 - government house leader: \$25,000; and
 - deputy government house leader: \$9,000;
- Amend the **House of Assembly Accountability, Integrity and Administration Act** to pay the chairpersons of committees of the House other than the Public Accounts Committee a \$200 per diem per meeting for meetings held when the House is not in session;
- Amend the **House of Assembly Accountability, Integrity and Administration Act** to pay the members of the Management Commission and the committees of the House other than the vice chairperson of the Public Accounts Committee a \$150 per diem per meeting for meetings held when the House is not in session;
- Amend the **House of Assembly Accountability, Integrity and Administration Act** to establish the maximum that can be received for meetings referenced above cannot exceed a combined total of \$5,000 in a fiscal year; and
- Amend the **House of Assembly Accountability, Integrity and Administration Act** that if an MHA holds an additional-salary position, a ministerial position or committee membership at the same time, they are entitled to only the additional salary or per diem of the highest compensated position.



SALARY-ADJUSTMENT FORMULA

The 2024 MCRC's mandate includes recommending a formula or means for making annual adjustments to salary amounts.

Background

Subsection 15(2)⁷⁷ of the 2007 **House of Assembly Accountability, Integrity and Administration Act** provided a formula to adjust the MHA annual salary and the salaries of the additional-salary positions. The salaries were to be adjusted annually on July 1 by a percentage equivalent to the annual increase given in the previous year in the executive pay plan for government. As a result, on July 1, 2008, the annual salary and additional-salary positions were adjusted by 3 per cent and on July 1, 2009, the annual salary and additional-salary positions were adjusted by 8 per cent.

The 2009 MCRC⁷⁸ recommended that the 8 per cent annual-salary increase and additional-position remuneration be relinquished until the next MCRC. The House passed the amendment to the **House of Assembly Accountability, Integrity and Administration Act** to give effect to these recommendations⁷⁹. The MHA annual salary and the additional-position remuneration were rolled back, and the adjusting formula was repealed.

The 2012 MCRC⁸⁰ recommended the MHA annual salary and the additional-position remuneration be frozen until December 2013, then adjusted each year in accordance with the consumer price index. The Management Commission did not accept that recommendation, given the fiscal situation in the province at the time⁸¹, and MHA salaries remained frozen⁸².

The 2016 MCRC⁸³ recommended adjusting MHA annual salaries to increase by the average of four collective bargaining agreements. The Management Commission accepted the adjustment mechanism and the House amended⁸⁴ the **House of Assembly Accountability, Integrity and Administration Act** accordingly in 2017. The House then repealed the salary-adjustment formula⁸⁵ prior to the formula taking effect due to the fiscal climate of the day⁸⁶. Based on the finalized four collective agreements in 2021, the formula increase of 5.7 per cent would have been significantly higher than the increase for the public service of 1 per cent for 2021, even though a considerable period had passed with no increases for MHAs.

The 2016 MCRC⁸⁷ recommended the additional-position salaries not be adjusted by a formula, which the Management Commission⁸⁸ accepted, and no mechanism was placed in the **House of Assembly Accountability, Integrity and Administration Act**.

⁷⁷ HOAIIAA, SNL2007, c.H-10.1.

⁷⁸ Review of: MHA Salaries, Allowances, Severance Payments and Pensions, MCRC, October 2009, p. 21.

⁷⁹ **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2009, c.42, s.1, s.2 and s.3.

⁸⁰ MHA Salaries, Allowances, Severance Payments and Pensions Review, MCRC, November 2012, p. 16.

⁸¹ Online: [February 27 \(assembly.nl.ca\)](#).

⁸² Online: [Minutes2013Feb27.pdf \(assembly.nl.ca\)](#).

⁸³ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 31.

⁸⁴ **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2017, c.8, s.1.

⁸⁵ **An Act to Amend the House of Assembly Accountability, Integrity and Administration Act**, SNL2021, c.6, s.1.

⁸⁶ Online: [2021-04-21.pdf \(assembly.nl.ca\)](#).

⁸⁷ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 36.

⁸⁸ Online: [Minutes2016Nov30.pdf \(assembly.nl.ca\)](#).

Analysis

To determine the adjustment mechanism, the 2024 MCRC considered the following factors:

1. Comparison of adjustment formulas across provinces and territories, including the formula application

A survey of provinces and territories in February 2024⁸⁹ indicated various approaches to adjustment formulas:

- The most common adjustment formula is the percentage change in the consumer price index, used in British Columbia, Yukon, Alberta, Northwest Territories, Saskatchewan and Manitoba:
 - British Columbia has periodically passed legislation to pause increases;
 - Alberta has not applied adjustments since 2015 based on approved motions of the Special Standing Committee on Members' Services; and
 - Saskatchewan has capped increases at 3 per cent;
- New Brunswick and Quebec link their salary adjustments to public service executive increases;
- Nunavut adjusts its salaries in accordance with increases given to public service employees;
- Nova Scotia's formula adjusts salaries based on public service increases; however, no increases have been applied since 2013 as various legislative amendments have been passed to freeze salaries;
- Prince Edward Island establishes an independent commission at the beginning of a General Assembly, which remains in place until dissolution. The commission determines when it will review salaries, what the increases will be and to which positions they will apply. Reviews can take place several times over the course of a General Assembly;
- Ontario's legislation sets member salaries at 75 per cent of House of Commons member of parliament salaries. However, in 2009 Ontario passed legislation to freeze salaries, which is still in place; and
- Newfoundland and Labrador does not have an adjustment formula. The 2016 MCRC recommended an adjustment formula, which the legislature passed as an amendment to the **House of Assembly Accountability, Integrity and Administration Act** in 2017. In 2021, the legislature passed an amendment to remove the adjustment formula before it could be used.

Generally, adjustment formulas apply to a member's base salary and the salaries of additional-salary positions. Manitoba and Alberta also apply the adjustments to committee per diems: Alberta applies a general adjustment to per diems, whereas Manitoba applies an adjustment to the maximums allowable for the member who serves as committee chairperson or vice chairperson.

The 2024 MCRC asserts that aligning increases in the MHA salary to a percentage of the increase in House of Commons members of parliament would not be reflective of the economic reality in this province.

⁸⁹ [Appendix L](#) is a jurisdictional scan of the Adjustment Formula and Application.

Since 1996, salaries in Saskatchewan have been adjusted each April by the change in the consumer price index for Saskatchewan. In 2023, a directive⁹⁰ capped any consumer price index increase at 3 per cent. The Saskatchewan Review Committee⁹¹ wrote:

The use of a Consumer Price Index as a basis for salary adjustments has the following advantages:

- It keeps salaries in line with changes in the cost of locally acquired goods and services.
- It does not contribute to an artificial escalation of salaries.
- Components used in the index are largely beyond the ability of the employer, in this case the government, to influence or control.
- It is widely understood and accepted.

Disadvantages that have been identified with the use of a cost-of-living index are:

- It may or may not maintain a consistent relationship with salary changes on the part of relevant groups.
- It does not necessarily reflect the ability of the employer to pay more (or less) than what the cost of living provides.
- It is not intended to compensate for salary levels that may be inappropriate to begin with.

Newfoundland and Labrador is not alone in adjusting MHA annual salaries outside of the adjustment formula or the independent review process:

- The Nova Scotia Remuneration Panel, on July 15, 2022⁹² made a binding recommendation that the member base pay increase from its 2013 level of \$89,234 to \$100,481. The base pay has been frozen since 2013. The Nova Scotia legislature passed legislation⁹³ in July 2022 that overturned the binding recommendations of the 2022 remuneration review.
- In Alberta, following adoption of the 2012 compensation review⁹⁴ recommendation, member salaries were established at \$134,000 and were to be adjusted annually based on Alberta's consumer price index. Since then, salaries have either been frozen or reduced based on an approved motion of the Special Standing Committee on Members' Services⁹⁵ and the current annual salary of \$120,936 has been in place since August 2019.
- British Columbia passed legislation⁹⁶ to pause its adjustment formula for periods of time.

⁹⁰ Online: [annualschedule.pdf \(legassembly.sk.ca\)](#).

⁹¹ Report of the Independent Review Committee on MLA Indemnity, Independent Review Committee, June 2006, p. 13.

⁹² Remuneration Review: Report of Remuneration Review Panel appointed by the Speaker of the Nova Scotia House of Assembly, Nova Scotia Remuneration Panel, July 2022.

⁹³ Online: [House of Assembly Act \(nslegislature.ca\)](#).

⁹⁴ Review of Compensation of Members of the Legislative Assembly of Alberta, Commission on MLA compensation, May 2012.

⁹⁵ Review of Compensation of Members of the Legislative Assembly of Alberta, Special Standing Committee on Members' Services, December 2012.

⁹⁶ Online: [Members' Remuneration and Pensions Act \(gov.bc.ca\)](#).

- Ontario established its member compensation at 75 per cent of the base salary for federal members of parliament. In 2009, a legislative amendment was passed that kept salaries at the 2009 level until a balanced budget was achieved. A subsequent amendment repealed the balanced budget requirement, but the salaries continue at the 2009 level⁹⁷.

2. Public opinion

The 2024 MCRC heard from the public that MHA salaries should be indexed annually to inflation, specifically the consumer price index.

3. MHAs' views

The 2024 MCRC heard from MHAs that adjustments should be applied automatically to maintain transparency and remove the involvement of the legislature. Otherwise, the decision runs the risk of being politicized, making it difficult for MHAs to vote.

MHAs shared diverse opinions on the appropriate formula, as follows:

- Some suggested tying MHA salary increases to increases for collective agreements, public sector increases or executive increases; and
- Others suggested not associating MHA salary increases to public service increases. MHAs are not public servants, and such a formula could be perceived as a conflict of interest. Rather, MHA salary increases should be formulated based on factors outside the purview of MHAs, such as the consumer price index, increases in judicial salaries or a percentage of increases for members of the House of Commons.

Some MHAs further asserted that adjusting MHA compensation to inflation is not actually providing a real-dollar increase, merely keeping up. The 2024 MCRC heard concerns that skilled and qualified individuals decline to seek elected office because they are not independently wealthy enough to afford to make ends meet during their time of service.

Some MHAs stated that 15 years without an increase is a long time – a length of time that is anomalous when compared to other professions, and contrary to the public good of encouraging qualified people from diverse backgrounds to run for public office.

4. Province's economic position and fiscal capacity

As demonstrated above, the province is in a strong economic and stable fiscal position.

Summary

Upon analyzing jurisdictional information, public opinion, MHA views and the economy, the 2024 MCRC recommends an amendment to the **House of Assembly Accountability, Integrity and Administration Act**, commencing on July 1, 2025, that adjusts MHA annual salary, additional-salary positions and committee maximums by the percentage change in the consumer price index in Newfoundland and Labrador (all

⁹⁷ Online: [Legislative Assembly Act, R.S.O. 1990, c. L.10 \(ontario.ca\)](https://www.legis.gov.on.ca/html/legislation/acts/act_110.htm).

items⁹⁸) on December 31 of the previous calendar year to a maximum of the percentage increase provided in the executive pay plan for the current calendar year. All items is the index commonly used to calculate inflation.⁹⁹

As an example:

- the 2025 increase to the executive pay plan will be 2 per cent;
- if the consumer price index percentage change for Newfoundland and Labrador (all items) on December 31, 2024 was 2.5 per cent, the increase to the MHA annual salary, additional-salary positions and committee maximums would be 2 per cent;
- if the consumer price index percentage change for Newfoundland and Labrador (all items) on December 31, 2024 was 1.5 per cent, the increase to the MHA annual salary, additional-salary positions and committee maximums would be 1.5 per cent.

This recommended salary-adjustment formula is meant to prevent the scenarios of 2013 and 2021 when previously recommended formulas were not implemented due to fiscal constraints in the province. Executive pay plan increases are based on increases negotiated by public sector unions in good faith, considering the province's fiscal capacity. Linking the adjustment formula to the executive pay plan ensures the recommended salary adjustment formula would not increase MHA salaries above negotiated public sector salaries.

Further, the use of the consumer price index in the recommended salary-adjustment formula would keep MHA salaries in line with changes in the cost of locally acquired goods and services. The consumer price index, calculated by Statistics Canada, varies monthly and includes seasonally and non-seasonally adjusted data. Statistics Canada advises users employing the consumer price index for indexation purposes to use the non-seasonally adjusted data¹⁰⁰.

Using the consumer price index in the salary-adjustment formula would also prevent politicization of MHA salary increases. Rebuilding Confidence recommends that MHA salary increases not be linked to public service wage increases because of the perception of a conflict of interest. The ability of government to increase certain public service wages knowing that MHAs would get the same raise in return could be perceived as MHAs essentially determining their own pay¹⁰¹. Applying the consumer price index to the formula would bring increases in the MHA annual salary in line with similar professions in the province.

Thus, to maintain a rate increase based on annually updated data and remove the potential for a perceived and/or actual conflict of interest, the 2024 MCRC recommends using the consumer price index in the salary-adjustment formula.

⁹⁸ Online: [Surveys and statistical programs - Consumer Price Index \(CPI\) \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-662-x/2015001/article/00001-eng.htm).

⁹⁹ Online: [Glossary \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-662-x/2015001/article/00001-eng.htm).

¹⁰⁰ Online: [Seasonally Adjusted Data - Frequently Asked Questions \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/75-662-x/2015001/article/00001-eng.htm).

¹⁰¹ Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, p. 9-39.

Recommendation

The 2024 MCRC makes the following recommendation:

- Amend the **House of Assembly Accountability, Integrity and Administration Act**, commencing on July 1, 2025, to adjust the MHA annual salary, additional-salary positions and committee maximums by the percentage change in the consumer price index in Newfoundland and Labrador (all items) on December 31 of the previous calendar year to a maximum of the percentage increase provided in the executive pay plan for the current calendar year.



SEVERANCE

The 2024 MCRC's mandate includes reviewing and making recommendations regarding the current severance pay policy for MHAs.

Background

Subsection 11(3) of the **House of Assembly Accountability, Integrity and Administration Act**¹⁰² provides that, when ceasing to be an MHA, the MHA is entitled to severance, upon the conditions, in amounts and in accordance with the formula that may be determined by a direction of the Management Commission.

The current severance policy¹⁰³ has two sets of provisions: one set for MHAs first elected before November 30, 2015 and a second set for MHAs first elected on or after November 30, 2015.

The first set of provisions is for MHAs elected prior to November 30, 2015 and has been in effect since June 1999. The 2009 MCRC¹⁰⁴ recommended that:

An MHA who voluntarily resigns prior to a general election for reasons other than his or her own serious illness or a serious illness in his or her immediate family shall not be eligible for Severance Pay.

After considering these recommendations, the Management Commission decided that the current provisions for the payment of severance would remain unchanged and the issue would be referred to the next MCRC¹⁰⁵.

The 2012 MCRC¹⁰⁶ also recommended changes to the severance policy, but these recommendations were not placed before the Management Commission for consideration or decision.

The second set of provisions is for MHAs first elected on or after November 30, 2015. These provisions and the effective date were recommended by the 2016 MCRC¹⁰⁷ and approved by the Management Commission in December 2016 and March 2017¹⁰⁸.

Under both provisions, if an MHA is re-elected following a break in service, prior service for which severance has already been paid is not counted towards years of service for future severance. The MHA shall be considered as commencing their first General Assembly, regardless of how many Assemblies they may have served previously.

The Management Commission consolidated the two sets of rules into one severance policy to ensure all provisions were clearly outlined in one document¹⁰⁹.

MHAs first elected before November 30, 2015 are paid a lump sum, irrespective of whether they resign, retire or are defeated. Severance is calculated at one month's salary for each year of service and prorated for part of the years' service, with a minimum of three months and a maximum of 12 months. Severance

¹⁰² HOAIIAA, SNL2007, c.H-10.1.

¹⁰³ See [Appendix M](#).

¹⁰⁴ [Review of: MHA Salaries, Allowances, Severance Payments and Pensions](#), MCRC, October 2009, p. 28.

¹⁰⁵ Online: [Minutes2010-02-03.pdf \(assembly.nl.ca\)](#).

¹⁰⁶ [MHA Salaries, Allowances, Severance Payments and Pensions Review](#), MCRC, November 2012, p. 30.

¹⁰⁷ [Review of MHA Salaries, Allowances, Pensions & Severance](#), MCRC, November 2016, pp. 67, 68 and 98.

¹⁰⁸ Online: [Minutes2016Dec07.pdf \(assembly.nl.ca\)](#); and [ManCommMinutesMarch15-2017.pdf \(assembly.nl.ca\)](#).

¹⁰⁹ Online: [MinutesDec6-2017.pdf \(assembly.nl.ca\)](#).

is based on 81.2 per cent of the gross salary for MHAs. It does not include ministerial or additional-salary positions.

In comparison, if first elected on or after November 30, 2015:

- An MHA must serve three years to be eligible to receive severance;
- An MHA who is disqualified from being an MHA under Part V of the **House of Assembly Accountability, Integrity and Administration Act** is not eligible to receive severance other than for failure to be elected or for resignation;
- The severance is based on the total of annual salary and not a percentage excluding ministerial or legislative office salaries;
- Severance from other sources is deducted;
- The severance is paid monthly during the transition period;
- The severance benefits cease if, during the transition period, the MHA is eligible for a pension sponsored by the Government of Newfoundland and Labrador, obtains full-time employment with the public sector, is appointed as a federal or provincial judge, is appointed to the senate, is elected to the House of Commons or is appointed as the lieutenant governor or the governor general;
- If the service ends at the conclusion of the MHA's first General Assembly, 20 per cent of the annual salary is payable as severance;
- If the service ends at the conclusion of the MHA's second General Assembly, 50 per cent of the annual salary is payable as severance;
- If the service ends at the conclusion of the MHA's third General Assembly or thereafter, a maximum of 75 per cent of the annual salary is payable as severance; and
- As the length of a General Assembly is not determined until it is dissolved, the Management Commission directed as an interim measure that partial severance be calculated and paid at the time the MHA departs, based on the full general assemblies the MHA has served, with the remaining severance for the partial General Assembly to be calculated and paid when the General Assembly dissolves and its length is confirmed¹¹⁰.

Analysis

Severance is a financial bridge to alternate employment. It should be noted that, while severance was eliminated in the public sector in 2018, the employment situation for an MHA is distinguishable from a civil servant. Public sector employees who are relieved of their employment are entitled to notice of their termination by way of a financial payment known as "pay in lieu of notice." Without severance, MHAs do not receive payment following termination.

There are other factors that support severance for MHAs, including:

- An MHA has no job security;
- An MHA may have difficulty obtaining employment after politics;
- An MHA is not entitled to employment insurance;

¹¹⁰ Online: [HoaMCMminutes-2023-06-14.pdf \(assembly.nl.ca\)](#).

- A severance plan helps attract diverse, qualified people;
- The cost of severance is minimal compared to payouts in corporate professions; and
- A political career is generally short. The tenure in this province since the 2003 general election has ranged from a low of just over a year to a high of just over 28 years, for an overall average of 8.42 years¹¹¹.

The pre-November 30, 2015 provisions calculate severance on 81.2 per cent of the gross salary, which relates to a recommendation in Rebuilding Confidence¹¹²:

... the amount of severance a retiring MHA will receive will not be greater, in absolute terms as a result of implementation of a fully taxable salary for MHAs, than it would be under the existing payment arrangement of an indemnity plus a non-taxable allowance.

Accordingly, as of July 1, 2007, severance pay for MHAs had been calculated based on the salary that would have existed without the change to a fully taxable salary, i.e., 81.2 per cent of that amount¹¹³.

The 2024 MCRC asserts that the 81.2 per cent formula 17 years later is no longer relevant.

The post-November 30, 2015 provisions for the computation of severance are not workable as the provisions are inconsistent with the terms of a General Assembly. The post-November 20, 2015 provisions presume a four-year General Assembly, but a General Assembly may be less than four years – due to the exercise of the prerogative of the Crown or a loss of confidence – or an MHA may resign or die during a General Assembly. In these scenarios, severance cannot be calculated until the General Assembly ends. The severance policy¹¹⁴ states that if an MHA’s service ends prior to the end of an assembly, the severance will be prorated for the years of service. This calculation depends on the length of the General Assembly, which is not known until dissolution occurs.

Also, the timing of dissolution is beyond the control of an MHA. With no flexibility, the policy makes it difficult to attain eligibility requirements. For example, an MHA elected for the first time in 2019 and not re-elected in 2021 would not receive severance as they did not attain the requisite three-year minimum.

Indeed, the post-November 30, 2015 provisions are troublesome and complex for several reasons, including:

- a) The three-year minimum for eligibility:
 - No matter when an MHA departs, they would require assistance in transitioning. It is inequitable that post-November 30, 2015 MHAs are not entitled to severance until serving three years. The 2024 MCRC does not see the rationale in the three-year rule. MHAs require transitional assistance if they depart in year one or two;

¹¹¹ Compiled from data contained in House of Assembly Service records.

¹¹² Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, pp. 9-43.

¹¹³ The Management Commission accepted this recommendation and issued Directive Number 2011-007. While the directive was not passed until 2011, four years after Rebuilding Confidence was submitted, it had been the practice since 2007.

¹¹⁴ See [Appendix M](#).

- b) The singling out for ineligibility the Government of Newfoundland and Labrador pensions and no other pensions is discriminatory;
- c) The singling out for ineligibility re-employment into the public sector and not the private sector is discriminatory and difficult to monitor;
- d) The formula based on General Assemblies is difficult to tabulate as General Assemblies may vary in length; and
- e) The windfall created by a short General Assembly. An MHA elected towards the end of a General Assembly or a General Assembly of short duration receives the credit towards severance as a General Assembly of standard duration.

The 2024 MCRC considered the following factors when determining its recommendations with respect to severance:

1. Jurisdictional comparison of severance policies

To compile the jurisdictional scan, the 2024 MCRC received input from other Canadian legislatures.

Most Canadian jurisdictions provide compensation to departing members, but a variety of language is used to refer to the concept:

- Saskatchewan, Manitoba, Nunavut, Yukon, Northwest Territories, Prince Edward Island, Nova Scotia, Quebec, Alberta and New Brunswick provide transitional allowances;
- British Columbia provides transitional assistance; and
- Yukon, Ontario and Newfoundland and Labrador provide severance.

Despite the difference in semantics, the concepts are identical for comparative purposes.

In most jurisdictions, members are eligible if they resign, retire or lose their seat in a general election. Newfoundland and Labrador, in its post-November 30, 2015 provisions, mandates a three-year service minimum for severance eligibility. In British Columbia, the member must complete their term in office.

Alberta abolished its transitional allowance in 2012. Only members of the Legislative Assembly of Alberta elected prior to April 23, 2012 are eligible to receive a transitional allowance.

Members in several jurisdictions are not eligible for severance, transitional assistance or transitional allowances:

- In Manitoba, if the member is already drawing from the legislative assembly pension plan;
- In New Brunswick, if the member is required to participate in a pension plan or elects to receive an annual pension;
- In Nova Scotia, if the member is entitled to receive an immediate retiring allowance; and
- In Newfoundland and Labrador, per the post-November 30, 2015 provisions, if the member is eligible to receive a pension sponsored by the Government of Newfoundland and Labrador.

In British Columbia, if the member is entitled to transitional assistance payments, they receive the first four months regardless of pension income, after which the assistance is reduced by the pension benefits.

Member eligibility also ceases in some jurisdictions for the following reasons:

- In Prince Edward Island, if employed in the federal or provincial public sector; appointed as a judge, senator, lieutenant governor or governor general; elected as a member of parliament; re-elected to the legislative assembly; or employed by an office of the legislative assembly;
- In Yukon, if employees of Yukon government granted a leave of absence to serve;
- In Saskatchewan, if appointed to a paid position on a government board, commission or agency; began or returned to government, crown corporation, board or commission; or elected as a member of parliament or senator;
- In New Brunswick, if employed with the public service; appointed as a judge, senator, lieutenant governor, or governor general; or elected as a member of parliament; and
- In Newfoundland and Labrador, per the post-November 30, 2015 provisions, if employed full-time with the public sector; appointed as a federal or provincial judge; appointed to the senate; elected to the House of Commons; or appointed as the lieutenant governor or the governor general.

In British Columbia, members are entitled to receive the first four months of transitional assistance regardless of employment; however, after four months, the transitional assistance is reduced by the gross amount of the employment salary.

There is no consistency in formula for calculating severance across jurisdictions; however, Newfoundland and Labrador, per the post-November 30, 2015 provisions, is the only jurisdiction that uses the term of a General Assembly rather than years or months of service:

- Manitoba, Nunavut, Quebec, New Brunswick, Prince Edward Island, Ontario, Yukon and Northwest Territories use years of service; and
- Saskatchewan and Nova Scotia use months of service.

The formula in New Brunswick, until its recent review in 2022¹¹⁵, was based on a session. The Independent Committee in that jurisdiction recommended using years of service:

The present formula based on a “session” for determining the allowance is troublesome as sessions may vary in a year.

Newfoundland and Labrador is the only jurisdiction – per its pre-November 30, 2015 provisions – to calculate severance on a percentage (81.2 per cent) of the annual salary. All other jurisdictions calculate severance as 100 per cent of the annual salary.

With respect to payment manner or frequency, there is no consistency across jurisdictions:

- Newfoundland and Labrador: the pre-November 30, 2015 provisions allow paying severance in a lump sum within the same fiscal year of termination; the post-November 30, 2015 provisions allow paying severance monthly;
- Nova Scotia: 12 equal installments or in a lump sum;
- Prince Edward Island: biweekly or lump sums if service is less than a year, or upon death;

¹¹⁵ Report of the Independent Committee Established to Review and Make Recommendations on the Salaries and Benefits of Members of the Legislative Assembly of New Brunswick, Independent Review Committee, September 29, 2022, p. 45.

- New Brunswick: the Legislative Administration Committee determines the manner, frequency and dates;
- Saskatchewan: monthly during the transition period;
- Quebec: monthly;
- Manitoba: either biweekly or in a lump sum;
- Nunavut: either biweekly or in a lump sum; and
- British Columbia: biweekly.

While some jurisdictions establish lifetime limits on the transitional allowance, many are like Newfoundland and Labrador, which does not count severance payments for prior service against future severance should a member return to the Legislature following a break in service. The 2024 MCRC agrees and recommends that this approach continue.

Most jurisdictions provide additional support for training or counselling to assist with transitioning into private life after a member's tenure:

- The Newfoundland and Labrador legislature offers access to an employee assistance program (EAP), operated by the Public Service Commission, for one year following resignation or defeat;
- The British Columbia legislature offers career counselling, education or training costs up to \$9,000, which may be eligible for reimbursement, if approved. Approval of reimbursement requires a clear retraining goal with the intent of seeking employment, and is provided for nine months after departure;
- The Saskatchewan legislature offers a maximum of \$7,000 per fiscal year for training, registration and tuition fees at accredited Canadian post-secondary institutions. Pre-approval is required in exceptional circumstances;
- The New Brunswick legislature offers a maximum of \$5,000 for expenses related to career counselling and retraining incurred within one year of ceasing to be a member;
- The Manitoba legislature offers access to employee assistance for six months following departure from the assembly, unless the member forfeits the seat;
- The Alberta legislature offers career transition counselling, to a maximum of \$3,000;
- The Quebec legislature offers \$850 a year for two years for a members' assistance program;
- The Northwest Territories legislature offers a retraining assistance program of \$1,000 a year for each year of service, up to \$12,000. To be eligible, a member must serve at least one complete term and have left through retirement or defeat. The member must apply within a year of leaving office and funding can be accessed for up to two years;
- The Nunavut legislature offers a maximum of \$12,000 for transition counselling and training assistance;
- The Ontario legislature offers \$7,000 for up to two years after leaving office to be used for transition firm services, new business assistance, retirement planning, financial counselling, Ontario-based employment courses or related furniture and equipment expenses; and
- The Nova Scotia legislature offers a maximum of \$7,500 for counselling or retraining services.

2. Public opinion

Public input on the topic of severance was limited, though some noted the post-November 30, 2015 policy is not attractive because the three-year waiting period is unfair when tenure is not within the MHAs'

control. MHAs typically do not intend to be defeated or run again in less than three years. People interested in serving as MHAs need some level of certainty to take a leap. It is a big risk for people to put their name forward and then be penalized for something over which they have no control. The 2024 MCRC heard that the risk is not reasonable for most people interested in running for office and therefore creates a barrier for those who may otherwise be interested.

3. MHAs' views

MHAs shared diverse views on the topic of severance.

Some MHAs expressed that, since severance has been eliminated for the public sector, it should also be eliminated for MHAs.

Most MHAs expressed the following:

- Severance should continue because MHAs are not entitled to employment insurance;
- MHAs should be entitled to severance regardless of years of service.
 - There is no expectation that the MHA would make a career out of elected service, as it is exceedingly rare for an MHA to be re-elected enough times to span a career. Elections may come four years apart, but it could be as little as two or three years. Regardless of performance, an MHA may not be re-elected and is then unemployed; former MHAs may or may not have employment arranged after leaving public office, and one's political stripe and activism may be seen as a liability. Faced with the prospect of a post-office future without an adequate income, some potential candidates would choose not to step forward at all, especially those on an established career path in a profession or organization. It is a shame to turn skilled and qualified people away from public office by failing to account for the very unusual nature of the role and the potentially unusual and unfortunate circumstances that could follow a loss;
- Severance should not be linked to pension.
 - Under the post-November 30, 2015 provisions, MHAs who are eligible for any amount of pension under one of the province's five public service pension plans are ineligible for severance; however, some pension-eligible MHAs qualify for very little in pension income – some as little as \$100 a month. Being ineligible for severance, such an MHA would encounter a potentially difficult financial position after leaving office. Stand-alone severance eligibility, independent of any pension conditions, would provide former MHAs with the equal opportunity to transition to the job market and find gainful post-office employment. This transitional assistance would further provide incentive – in the form of peace of mind – to people considering running for elected office, while also creating a more equal opportunity for those who are not independently wealthy or face other financial barriers; and
 - There should be no discrimination if receiving a public service pension when this penalty does not apply to other pensions.

MHAs also suggested the legislature provide a retraining component akin to other jurisdictions.

Summary

The 2024 MCRC believes that eliminating severance in the public service should not impact MHA severance. Severance is an essential element to support transitioning to private life. MHAs are not entitled to employment insurance, may have interrupted other careers for which a return may not be readily achievable and may face barriers to re-employment based on the circumstances of their departure from political life.

Based on the above considerations, the 2024 MCRC makes the following recommendations:

- Continue severance as it is an important aspect of compensation to attract qualified individuals;
- Rename severance to transitional allowance, which more appropriately reflects its true purpose;
- Provide one set of simple provisions that apply regardless of when elected;
- Calculate transitional allowance using years of service, i.e., one month for every year of service prorated for part of the years' service, with a minimum of three months and a maximum of 12 months;
- Provide the transitional allowance whether the former MHA resigned, died, retired or was defeated, unless the seat has been declared vacated;
- Continue to recognize an MHA returning after a break in service as commencing their first General Assembly, regardless of how many Assemblies they have served previously;
- Pay the transitional allowance in no more than two installments in the fiscal year in which it is incurred;
- Remove any linkage to pension or post-employment;
- Calculate the transitional allowance on 100 per cent annual salary rather than 81.2 per cent of annual salary;
- Eliminate the post-November 30, 2015 provisions; and
- Provide up to \$2,500 with receipts for career counselling, training and education for up to one year after the resignation or defeat of an MHA who has served at least one full term, and the seat has not been declared vacated.

Recommendations

The 2024 MCRC makes the following recommendations:

- Continue to pay MHA severance, but rename it “transitional allowance,” with the same provisions afforded to all MHAs regardless of when elected;
- Calculate the transitional allowance using 100 per cent of the MHA annual salary with a formula of one month for every year of service, prorated by number of days served for part-years of service, with a minimum of three months and a maximum of 12 months regardless of the reason for departure and with no three-year minimum, except if the seat has been declared vacated;
- Pay the transitional allowance in no more than two installments in the fiscal year in which it is incurred;
- Continue to recognize an MHA returning after a break in service as commencing their first General Assembly, regardless of how many Assemblies they have served previously;
- Remove the linkage of the transitional allowance to pension or post-employment status; and
- Provide up to \$2,500, with receipts, for career counselling, training and education for up to one year after the resignation or defeat of an MHA who has served at least one General Assembly and whose seat has not been declared vacated.



PENSIONS

The 2024 MCRC mandate includes reviewing current provisions for MHA pensions and providing recommendations for adjustments.

The Pensions Division of the Treasury Board Secretariat administers the MHA pension plan.

Paragraph 11(3)(b) of the **House of Assembly Accountability, Integrity and Administration Act**¹¹⁶ provides that

11(3) Upon ceasing to be a member, the member is entitled to ...

(b) a pension determined in accordance with the **Members of the House of Assembly Retiring Allowances Act**.

¹¹⁶ HOAAIAA, SNL2007, c.H-10.1.

Background

The first MHA pension plan, established in 1962, was a defined contribution plan to which MHAs and government each contributed 7 per cent of an MHAs’ sessional indemnity. In 1976, the legislature replaced this plan with a defined-benefit plan, as provided under the **Members of the House of Assembly Retiring Allowances Act**¹¹⁷.

Under a defined-benefit pension plan, the pension is a function of pensionable salary, years of service and an annual benefit-accrual rate. A formula-based pension is predictable and therefore more attractive to employees. Formula-based pensions are generally paid for by contributions from both the plan member and the employer, where those contributions are invested in capital markets, so contributions earn investment income sufficient to pay for the promised benefit.

From 1976 to 1998, the MHA pension plan remained unchanged. However, because of public sector pension reform and statutory changes to rules governing registered pension plans under the provisions of the federal **Income Tax Act**¹¹⁸ (ITA), the plan was modified to align it further with other public sector plans, such as the public service pension plan (PSPP) and the teachers’ pension plan (TPP). Government had taken various measures to ensure the ongoing affordability and sustainability of those plans by increasing contributions to meet or exceed benefit costs, making annual special payments and modifying benefits to reduce costs.

The following table summarizes the provisions of the MHA pension plan over the past 50 years from 1976 to 2024. Note that MHAs become vested in the plan after serving for five years and two General Assemblies.

Plan Years	Benefit Accrual Rates	Maximum Pension ¹¹⁹	Pension Eligibility	Integration with CPP ¹²⁰	Contribution Rate
1976-1997	5% Years 1-10 4% Years 11-15 2.5% Years 16-17	75%	Age + Service = 60 55 for Premier	No	7%
1998-2008	5% Years 1-10 2.5% Years 11-20	75%	Age + Service = 60 55 for Premier	Yes	9%
2009-2015	3.5% Years 1-20	70%	Unreduced from age 55 Reduced from age 50	Yes	9%
2015-2024	2.5% Years 1-20	50%	Age 60	Yes	9%

Historically, as changes to the MHA pension plan were implemented, modifications only applied to MHAs elected for the first time after the changes were made, except for those changes implemented by the

¹¹⁷ **Members of the House of Assembly Retiring Allowances Act**, SNL2005, c.M-6.1.

¹¹⁸ **Income Tax Act**, RSC 1985, c.1 (5th Supp.).

¹¹⁹ The pension amount is the earned percentage times the average of the best three years’ average salary.

¹²⁰ For MHAs elected after 1997, benefits under the MHA pension plan are reduced by a formulated amount from age 65, similar to other public sector plans.

2016 MCRC¹²¹, which were applied retroactively to MHAs elected for the first time on or after November 30, 2015. This retroactive application was a significant departure from past practice. The report¹²² found that reliance by those MHAs on the pension provisions “cannot be said to be as great.”

The 2016 MCRC concluded the current MHA pension plan was unsustainable and provided too great a benefit to MHAs when taken in conjunction with other elements of remuneration¹²³. Based on these conclusions, the 2016 MCRC recommended changes to the MHA pension plan, including the elimination of portability with other plans; reducing the annual benefit accrual rate to 2.5 per cent; increasing the age for eligibility for a pension to age 60, with no option for early reduced retirement, and retroactive application of these changes¹²⁴. These changes were accepted and legislated in 2017¹²⁵.

Analysis

To determine whether the current MHA pension plan was fair and reasonable, the 2024 MCRC considered the following factors:

1. Benefits under the MHA pension plan

The benefits under the current MHA pension plan are:

- **Benefit accrual:** For all MHAs, pensionable salary includes base salary and other additional-salary position compensation, including ministerial salary. As noted previously, MHA pension benefits under the MHA pension plan have changed significantly over the last several years and, contrary to public perception, the current MHA pension plan is not lucrative. To illustrate how the various changes to the MHA pension plan have impacted an MHAs’ entitlement under the plan, the following compares the pension entitlement of an MHA who contributes for 17 years under the provisions of the 1976 plan to an MHA who contributes for a similar period to the 2016 plan, assuming the pensionable salaries at today’s rates.

Plan Provisions In	Service	Accrual Rate	Average Pensionable Salary	Pension to age 65	Pension from age 65
1976	17 years	75%	\$77,405 ¹²⁶	\$58,054	\$58,054
2016	17 years	42.5%	\$95,327	\$40,514	\$33,949 ¹²⁷

¹²¹ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 98.

¹²² Ibid.

¹²³ Ibid., p. 88.

¹²⁴ Ibid., p. 96.

¹²⁵ **An Act to Amend the Members of the House of Assembly Retiring Allowances Act and the Portability of Pensions Act**, SNL2017, c.25.

¹²⁶ When Rebuilding Confidence recommended changing the pensionable salary structure from an indemnity plus a tax-free allowance to a fully taxable salary, pensionable salary was adjusted to 81.2 per cent of the taxable amount to account for the difference in the compensation structures and avoid inflating the pension under the 1976 arrangements, and to ensure the pension amount was consistent with the member contributions.

¹²⁷ The reduction in pension from age 65 is due to the integration with CPP.

As indicated, the reduction in annual benefit accrual rates from 5 per cent/4 per cent/2.5 per cent over 17 years under the 1976 formula compared to 2.5 per cent over the same period has reduced an MHA's entitlement by 30 per cent up to age 65 and by 41.5 per cent from age 65 onward. This is a significant reduction in benefit entitlement at retirement, demonstrating that the MHA pension plan is not the gold-plated pension as sometimes perceived by the public.

The maximum pension entitlement under the 2016 MCRC arrangements for both an MHA and an MHA/minister are outlined below:

Member	Base Salary ¹²⁸	Service	Accrual	Pension	Pension (65)
MHA	\$95,327	20	50%	\$47,663	\$39,939
MHA/Minister	\$143,991 ¹²⁹	20	50%	\$71,996	\$64,272

- **Indexing:** While the public service pension plan and teachers' pension plan provide some indexing from age 65, there is no indexation of pension benefits under the MHA pension plan. The unions representing members of the public service pension plan and teachers' pension plan negotiated the current indexing program under those plans. Plan members increased their contributions sufficiently to fund the indexing of benefits for both active and retired plan members. Given the size of the memberships of those plans, a funded indexation program was achievable. For plans like the MHA pension plan, with much smaller active membership, such a program would be far more costly to implement and therefore has not been.
- **Integration with benefits under the Canada Pension Plan:** Like benefits under the public service pension plan, the teachers' pension plan and the uniformed services pension plan (USPP), benefits under the MHA pension plan are integrated with those under the Canada Pension Plan. At age 65, benefits under the MHA pension plan are reduced by a formulated amount. This is standard practice for most public sector defined-benefit pension plans in Canada.
- **Retirement age:** The age at which MHAs can retire under the MHA pension plan has changed significantly over the years. Until 2009, MHAs could retire when age plus service equaled 60 (or at age 55, if you were the premier). In 2009, this changed to age 55, or age 50 with a reduction. The 2016 MCRC modified this to age 60, with no option for a reduced, early pension.
- **Survivor benefits:** The MHA pension plan provides normal joint and survivor benefits to survivors of deceased MHAs equal to 60 per cent of the deceased MHA's pension entitlement. This is consistent with other Canadian government-sponsored pension plans.
- **Portability:** The MHA pension plan does not provide for any portability of benefits. As recommended by the 2016 MCRC, MHAs under the MHA pension plan cannot import service from

¹²⁸ Assumes the average of the best three years is equal to the current salary, which is actually the case for existing MHAs.

¹²⁹ Ministerial salary is \$48,664, online: [expenseclaims-pdf-annual-salary-details.pdf \(gov.nl.ca\)](https://www.gov.nl.ca/expenseclaims-pdf-annual-salary-details.pdf).

another pension plan. This was a feature of the pre-2016 MHA pension plan and contributed to the growth in its liabilities, mainly due to generous early retirement provisions.

2. Comparison of the MHA pension plan with other Government of Newfoundland and Labrador pension plans

The below compares key features of the five pension plans sponsored by the Government of Newfoundland and Labrador. All plans are defined-benefit plans.

Pension Plan	Annual Accrual Rate	Pensionable Salary	Maximum Accrual	Pension Accrual		Indexing
				20 years	35 years	
MHAPP	2.5%	Average of the best 3 years	50%	50%	NA	No
PSPP	2.0%	Average of the best 6 years	none	40%	70%	60% of CPI; max of 1.2%
TPP	2.0%	Average of the best 8 years	none	40%	70%	60% of CPI; max of 1.2%
USPP	2.0%	Average of the best 3 years	none	40%	70%	No
Provincial Court Judges' Pension Plan (PCJPP)	3.3%	Final year	66.6%	66.6%	NA	60% of CPI; max of 1.2%

The most significant difference between the MHA pension plan and other plans sponsored by the Government of Newfoundland and Labrador is the annual benefit-accrual rate. The accrual rate under the MHA pension plan is more attractive than the accrual rate for public sector employees for the same period of service and is slightly lower than for the provincial court judges' pension plan. However, it is rare for an MHA to achieve the years of service required to provide the same pension that the average public service employee would achieve. The slightly higher accrual rate helps mitigate this difference in opportunity. Similarly, as provincial court judges are generally appointed late in their legal careers, the higher accrual rate provides an opportunity to generate a reasonable pension over shorter judicial careers.

The following summarize the status of the five government-sponsored pension plans, including membership, asset values, liabilities and funded ratios on December 31, 2022 for the three largest plans and at March 31, 2023 for the smaller plans (the MHA pension plan and the provincial court judges' pension plan), which also include a supplementary employee retirement plan (SERP) for benefits accrued outside the limits of the **Income Tax Act**.

Funded Status of Pension Plans

As of December 31, 2022 or March 31, 2023 (as noted above)¹³⁰

Pension Plan	Active	Pensioners	Value of Pension Funds (\$millions)	Accrued Liabilities (\$millions)	Funded Ratio %
MHAPP	40	161	38.7 ¹³¹	100.2	39.0
PSPP	28,393	23,668	10,900.9 ¹³²	10,245	106.4
TPP	5,991	9,756	6,061.5 ¹³³	5,351	113.3
USPP	608	976	140.7	503.8	28.0
PCJPP	19	9	16.7 ¹³⁴	41.6	40.1
Total	35,051	34,570	17,158.5	16,241.6	

Where the MHA pension plan was once the most underfunded of the plans listed here, the reduction in the benefit formula and the improvement in asset growth has placed it fourth place among plans.

3. Financial status of the MHA pension plan

The MHA pension plan is divided into two components: the registered pension plan (RPP) and the supplementary employee retirement plan (SERP).

The actuarial valuation of the MHA pension plan as of December 31, 2021 (registered pension plan portion) indicates that the registered pension plan, with \$41.9 million in assets and \$32.4 million in liability, has a surplus and is 129.4 per cent funded¹³⁵ on a going-concern basis. In other words, for each \$1.00 of liability, there is \$1.29 in assets – it is in surplus.

The valuation of the supplementary employee retirement plan portion of the plan as of March 31, 2023 shows an unfunded liability of \$76.6 million¹³⁶. There are no assets under the supplementary employee retirement plan portion.

Benefits payable under the MHA pension plan that are within the limits prescribed by the **Income Tax Act**¹³⁷ are paid from the registered pension plan; those more than the **Income Tax Act** limits are paid from the supplementary employee retirement plan. More specifically for the MHA pension plan, accrued benefits in excess of 2 per cent per each year of service are paid from the supplementary employee

¹³⁰ The table is compiled from various sources, including annual reports for the noted pension plans.

¹³¹ March 31, 2023 Public Sector Accounting Board, 3250 Accounting Standards Letter, as provided by the Treasury Board Secretariat.

¹³² Includes Promissory Note of \$2.3B, online: annualreport.provident10.ca/#financial-statements.

¹³³ Includes Promissory Note of \$1.7B, online: [TPPNL-AR2022-DIGITAL.pdf \(tppcnl.ca\)](https://TPPNL-AR2022-DIGITAL.pdf(tppcnl.ca)).

¹³⁴ Online: [PICAnnualReport2022.pdf \(gov.nl.ca\)](https://PICAnnualReport2022.pdf(gov.nl.ca)).

¹³⁵ Report on the Actuarial Valuation as of December 31, 2021 – **Members of the House of Assembly Retiring Allowances Act** – Registered Pension Plan as provided by the Treasury Board Secretariat.

¹³⁶ Online: [Public-Accounts-2022-23.pdf \(gov.nl.ca\)](https://Public-Accounts-2022-23.pdf(gov.nl.ca)), pp. 79, note 9.

¹³⁷ **Income Tax Act**, RSC 1985, c.1 (5th Supp.).

retirement plan. Similarly, unreduced pensions paid earlier than permitted under the **Income Tax Act** are paid from the supplementary employee retirement plan.

For example, if an MHA with less than 30 years’ service can access a pension from age 55, that pension is paid from the supplementary employee retirement plan until the MHA reaches age 60. From age 60 on, the pension is paid from the registered pension plan. As well, section 4 of the **Members of the House of Assembly Retiring Allowances**¹³⁸ provides that pensions for MHAs who retired before January 1, 2004 are paid from the supplementary employee retirement plan. For fiscal year 2022-23, total pension payments were \$7,284,000, of which \$1,664,000 were paid from the registered pension plan and the balance of \$5,620,000 was paid from the supplementary employee retirement plan¹³⁹. Approximately 56 per cent of the supplementary employee retirement plan payroll relates to MHAs who retired before January 2004¹⁴⁰.

The below outlines the history of the financial status of the MHA pension plan as of March 31 from 2015 to 2023, as detailed in the Public Accounts of the province¹⁴¹ (\$millions):

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assets in the RPP	\$22.0	\$21.4	\$24.5	\$26.4	\$27.0	\$25.8	\$36.7	\$40.1	\$38.7
Liabilities in the RPP and SERP	\$123.6	\$118.6	\$117.1	\$120.3	\$121.4	\$114.7	\$114.2	\$108.0	\$100.1
Unfunded Liability for the MHAPP	\$101.6	\$97.2	\$92.6	\$93.9	\$94.4	\$88.9	\$77.5	\$67.9	\$61.4

The above reflects only the registered assets invested as part of the Newfoundland and Labrador pooled pension fund. The liabilities include those under both the registered pension plan and the supplementary employee retirement plan. Benefits payable from the supplementary employee retirement plan are paid on a pay-as-you-go basis from the Consolidated Revenue Fund and are not supported by any assets.

As indicated above, the unfunded liability is slowly declining due to the improvement in asset growth and the slowly declining liabilities in both the registered pension plan and supplementary employee retirement plan caused by a combination of increasing interest rates, declining pension accruals and attrition.

¹³⁸ **Members of the House of Assembly Retiring Allowances Act**, SNL2005, c.M-6.1.

¹³⁹ Extrapolations prepared for the March 31, 2023 Public Accounts, as provided by the Treasury Board Secretariat.

¹⁴⁰ Information provided by the Pensions Division of the Treasury Board Secretariat.

¹⁴¹ Online: [Public Accounts and Other Financial Reports - Treasury Board Secretariat \(gov.nl.ca\)](https://www.gov.nl.ca/public-accounts/).

4. Current MHA pension plan membership

As noted in the 2021 Actuarial Valuation of the MHA pension plan ¹⁴², there are currently 40 active MHAs, four non-vested terminated MHAs, five deferred pensioners and 161 pensioners and survivors.

5. Comparison with other jurisdictions

Pension plans vary from province to province. Like Newfoundland and Labrador, many jurisdictions have defined-benefit plans, namely Quebec, Nova Scotia, Prince Edward Island and British Columbia. Alberta, Saskatchewan and Ontario offer defined contribution plans or RRSP contributions. New Brunswick's elected representatives participate in the public service shared-risk plan. In those jurisdictions with defined-benefit plans, accrual rates vary, which affects the length of time to receive the maximum pension. Newfoundland and Labrador has the lowest benefit-accrual rate, at 2.5 per cent; Quebec's accrual rate is the highest, at 4 per cent.

The following compares the current MHA pension plan with defined-benefit plans for elected representatives in other jurisdictions, as provided by the Treasury Board Secretariat.

Jurisdiction	Annual Benefit Accrual	Pensionable Salary Base	Maximum Benefit Accrual	Earliest Unreduced Retirement Date	Indexing	Integration With CPP
NL	2.5%	Average of the best three years' salary	50%	60	no	yes
Quebec	4%	Career average earnings	100%	60	The greater of CPI minus 3% or 50% of CPI	no
Nova Scotia	3.5%	Average of the best three years' salary	70%	55	Same as for public service	yes
Prince Edward Island	3.5%	Career Average	No limit	60 with 2 years' service 55 with 30 years' service	Contingent On Funding	yes
British Columbia	3.5%	Final three years average earnings	70%	65	Full CPI, subject to funding	no

¹⁴² Report on the Actuarial Valuation as of December 31, 2021 – **Members of the House of Assembly Retiring Allowances Act** – Registered Pension Plan as provided by the Treasury Board Secretariat.

Newfoundland and Labrador is the only jurisdiction that does not index benefits.

6. Public opinion

Members of the public expressing views to the 2024 MCRC pointed out that many people in the private sector do not have defined-benefit plans.

Some asserted that Newfoundland and Labrador cannot afford to continue paying out millions of dollars annually to former MHAs, that a defined-contribution plan would save millions of dollars each year and would eventually eliminate the unfunded liability associated with it, which is currently over \$100 million.

7. MHAs' views

MHAs shared diverse views on the topic of pensions.

Some felt there should be no linkage between MHAs and the public service, as MHAs are not public servants, and pensions should therefore, on a go-forward basis, be a registered retirement pension plan, like the one available to most private sector employees. Very few employees have a defined-benefit plan.

Other MHAs suggested an option to choose either a defined-benefit or defined-contribution pension.

Most MHAs from whom the 2024 MCRC heard suggested pensions should remain a defined-benefit plan, but that it should be fully funded and indexed.

Some asserted the current plan is not fair or reasonable, as it disincentivizes potential candidates and, as a result, only attracts individuals who are independently wealthy, and that the current plan does not attract diverse and qualified candidates. Similarly, some MHAs suggested it should be jointly managed like the public service pension plan and the teachers' pension plan and portability should be reinstated to attract more individuals to the role.

Some MHAs pointed out that the 2016 MCRC reduced the pension from 3.5 per cent to 2.5 per cent and was retroactive to the 2015 election, so MHAs running for office based on the 2015 terms were subject to changes in the pension after election.

Other views expressed by MHAs included:

- MHAs should be able to count their member of parliament service under the MHA pension plan;
- MHA pension accrual rate should be more than 2.5 per cent; and
- MHA pensions remaining inaccessible until the age of 60 is unfair, considering the average tenure of an MHA is 8.42 years.

Summary

After reviewing the benefits of the MHA pension plan, the comparison with other provincial public sector plans, the financial status of the MHA pension plan, the MHA pension plan membership, the jurisdictional comparison, public opinion and MHA views, the 2024 MCRC recommends remedying the retroactive pension application of the 2016 MCRC recommendations so that MHAs elected on November 30, 2015 are not negatively impacted.

The 2024 MCRC believes the status quo should be maintained in all other respects. The defined-benefit plan should be retained, like most other jurisdictions. A defined-benefit pension plan is an essential element of remuneration and an incentive to attract diverse and qualified candidates to run for political office.

Michael D. Werier of the Manitoba Commission¹⁴³ in July 2017 noted:

... a defined benefit plan ... provides a level of comfort to those members of the public choosing to run for public office that they will have a certain pension level as part of their compensation.

The 2024 MCRC heard from several MHAs who expressed concern with the recommendations of the 2016 MCRC¹⁴⁴, particularly the recommendations that reduced service accrual rate to 2.5 per cent and its retroactive application to MHAs who had been elected to the 48th General Assembly on November 30, 2015. As one MHA put it, not only were their wages frozen, but their ability to generate a reasonable pension was also impacted.

Historically, any changes to the pension arrangements, regardless of the impetus for the change, only impacted MHAs elected for the first time during the subsequent General Assembly. The 2016 MCRC felt

... [t]here was no rationale to delay the consideration and imposition of MCRC recommendations for 4 years. MCRC recommendations are based on current research, consultations and deliberations. Such recommendations would be meaningless (and possibly dated and irrelevant) if they were applicable to the next General Assembly only¹⁴⁵.

The 2016 MCRC recommendations and the subsequent legislated amendment resulted in 11 sitting MHAs who, when they sought elected office, anticipated part of their compensation would include a pension promise based on the provisions in place at the time they chose to run, only to have that promise varied two years into their first term of office. The 2024 MCRC feels that this treatment is unjust and inconsistent with past practice.

With a view to remedy this treatment, the 2024 MCRC requested Eckler Ltd., the MHA pension plan's consulting actuary, to estimate the impact of reversing the change for MHAs first elected in 2015 on obligations under the **Members of the House Assembly Retiring Allowances Act** and to provide benefits under the Act for MHAs first elected in the 2015 general election at the same level as those that were available immediately prior to that election¹⁴⁶.

Specifically, the accrual rate would be improved from 2.5 per cent of earnings to 3.5 per cent of earnings and supplementary benefits would be payable from age 55 rather than age 60. MHAs first elected after the 2015 general election would be ineligible for the improved benefits. The actuary estimated the change

¹⁴³ Report of the Commissioner on Salaries, Allowances and Retirement Benefits for Members of the Manitoba Legislative Assembly, Commissioner Michael D. Werier, July 2017, p. 41.

¹⁴⁴ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 98.

¹⁴⁵ Ibid.

¹⁴⁶ The Eckler Ltd. memo costing the benefit change under the **Members of the House of Assembly Retiring Allowances Act** is attached as [Appendix N](#).

would increase the benefit obligation on March 31, 2023 by \$1,472,000. The increase in the current service cost of benefits accruing in the first year following the valuation is estimated to be \$163,000¹⁴⁷. This change would only impact the liabilities under the supplementary employee retirement plan as it relates to the benefit accrual more than 2 per cent and the unreduced early retirement at age 55.

Implementing this change for the 11 sitting MHAs impacted would have a significant impact on their accrued pension. Based on the eight full years that have passed since 2015, MHAs' annual pension based on 3.5 per cent per year accrual and earnings of \$95,327 would be \$7,626 higher than under the 2.5 per cent accrual formula. However, this amount would be consistent with the pension commitment when these MHAs chose to run for elected office in the 2015 election.

The accrued benefit obligation (ABO), as reported in the Public Accounts of the province as of March 31, 2023, is estimated to be \$100.1 million¹⁴⁸. Reversing this change for the 11 sitting MHAs impacted would increase the accrued benefit obligation by 1.5 per cent and the annual cost of benefits accruing by 14.7 per cent¹⁴⁹.

While the 2024 MCRC recognizes the 2016 MCRC focused on modifications to the plan to slow growth in the plan's liabilities, applying these modifications to MHAs after their election is unfair. Further, remedying the modifications will not significantly impact the long-term goal of reducing the pension plan liability.

It should also be noted that, in addition to the 11 sitting MHAs impacted by the implementation of the 2016 MCRC recommendations, there are nine former MHAs elected for the first time on November 30, 2015 who did not vest in the MHA pension plan because they were defeated in a subsequent election. If these MHAs are re-elected, similar to the 11 sitting MHAs, they would be subject to the provisions of the pension plan applicable when first elected as normally provided for under section 19 of the **Members of the House of Assembly Retiring Allowances Act**¹⁵⁰.

¹⁴⁷ Ibid.

¹⁴⁸ Online: [Public-Accounts-2022-23.pdf \(gov.nl.ca\)](#).

¹⁴⁹ The Eckler Ltd. memo costing the benefit change under the **Members of the House of Assembly Retiring Allowances Act** is attached as [Appendix N](#).

¹⁵⁰ **Members of the House of Assembly Retiring Allowances Act**, SNL2005, c.M-6.1.

Recommendations

The 2024 MCRC makes the following recommendations:

- Continue pension provisions for current MHAs elected after the November 30, 2015 general election; and
- Amend the **Members of the House of Assembly Retiring Allowances Act**, with retroactive effect, to provide the pension benefit accrual rate and retirement eligibility under the MHA pension plan as it existed on November 30, 2015 for all MHAs elected for the first time on November 30, 2015 to the pension benefit accrual rate and retirement eligibility that existed on November 30, 2015.



ALLOWANCES

The Order of Reference directing the 2024 MCRC did not specifically mandate a review of allowances; however, the authority to examine allowances is derived from subsection 16(1) of the **House of Assembly Accountability, Integrity and Administration Act**¹⁵¹, providing that a members' compensation review committee is to conduct an inquiry respecting allowances.

¹⁵¹ HOAAIAA, SNL2007, c.H-10.1.

Background

With respect to allowances, Rebuilding Confidence¹⁵² stated:

The MHA must be given the means necessary to do the work entrusted to him or her. This means that there should be public subsidization of administrative office space, realistic operational resources, and travel allowances sufficient to enable the Member to service the constituency for which he or she has been elected. Also, provision should be made to ensure that other reasonable and legitimate expenses incidental to carrying out an MHA's functions are covered. In incurring legitimate expenses in carrying out public functions, the MHA should not be expected to do so at serious personal financial sacrifice.

The regime governing the resources and allowances provided to MHAs is legislated and codified in the **Members' Resources and Allowances Rules**¹⁵³ (the Rules), which is subordinate legislation to the **House of Assembly Accountability, Integrity and Administration Act**. Resource entitlements and eligible expenses are detailed in the **Members' Resources and Allowances Rules**¹⁵⁴ and the Members' Resources and Allowances Guide¹⁵⁵.

The legislature may modify the allowance regime either in response to recommendations of an MCRC or directives of the Management Commission¹⁵⁶. This ensures the provisions of the allowance regime can adapt and respond to the changing requirements of the House and its MHAs. All amendments are made in accordance with the protocol established in the **House of Assembly Accountability, Integrity and Administration Act**¹⁵⁷.

Subsection 2(b) of the **Members' Resources and Allowances Rules**¹⁵⁸ defines allowance as "... a category of allowance referred to in section 14" Subsection 14(1) reads as follows:

14. (1) A member may claim from public monies payment or reimbursement against the following categories of allowances:

- (a) office allowances;
- (b) operational resources;
- (c) travel and living allowances; and

¹⁵² Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, p. 10-18.

¹⁵³ **Members' Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](#).

¹⁵⁴ Ibid.

¹⁵⁵ Online: [Members' Guide to Resources & Allowances \(assembly.nl.ca\)](#).

¹⁵⁶ **HOAAIAA**, SNL2007, c.H-10.1, s.15.

¹⁵⁷ All Rule amendments available online: [House of Assembly - NL - Management Commission - Rule Amendments \(assembly.nl.ca\)](#).

¹⁵⁸ **Members' Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](#).

(d) constituency allowances.

An overview of each of these allowance types follows.

Office allowances

MHAs receive office allowances to cover the operational costs of running a constituency office. Eligible expenses include office supplies (e.g., pens, paper), courtesy items (e.g., water, tea, coffee), newspapers, answering services, photocopy and printing costs, courier and postage costs, advertising, staff professional development, database maintenance costs and special occasion cards. The 2007 **Members' Resources and Allowances Rules** initially established office allowances at \$15,000 (HST included) annually per district, but a 2013-14 budget-reduction measure reduced these allowances to \$12,000 (HST included; \$10,435, HST excluded) annually.

Operational resources

Operational resources fund equipment and services as outlined in the standard office allocation package for MHAs¹⁵⁹ and their constituency assistants. Funding is not allocated on a per-MHA or per-district basis. Costs are as incurred. Corporate and Members' Services prepares and manages the budget based on forecasted costs.

Travel and living allowances

Travel and living allowances are sub-categorized into four components:

1. House-in-session (HIS):

The House-in-session allowance funds costs as incurred for MHAs to attend the proceedings of the legislature. There is no specific allocation per MHA, but the eligibility to claim expenditures is based on the category of MHA, as described below. As an example, MHAs whose permanent residence is in the capital region are not permitted to claim expenses to attend the legislature.

2. House-not-in-session (HNIS):

The House-not-in-session allowance provides for MHAs to travel from their permanent residence that is outside the capital region to the capital region when the legislature is not in session to attend to constituency business or other duties. In the case of MHAs who live in the capital region, but represent a district outside the capital region, the House-not-in-session allowance works in reverse, i.e., it funds travel from the MHA's home to their constituency.

This allowance provides 20 return trips and 50 accommodation nights to eligible MHAs each fiscal year. There has been no change to this allocation since 2007.

¹⁵⁹ Online: [StandardOfficeAllocationPackage-MembersConstituencyAssistants.pdf \(assembly.nl.ca\)](#).

3. Intra- and extra-constituency (I&E):

The intra- and extra-constituency allowance provides for travel and living expenses for the following types of travel:

- Within the constituency;
- Between the constituency or the capital region and another constituency (outside the capital region);
- To and from other parts of Canada for constituency business;
- To and from St. Pierre-et-Miquelon (for districts on the Burin Peninsula), where the purpose of the trip is directly related to constituency business; and
- By the constituency assistant, where necessary, to attend to constituency business.

The intra- and extra-constituency allowance is the only allocation that specifies funding on a district basis. Schedule A of the **Members' Resources and Allowances Rules**¹⁶⁰ stipulates the amount allocated to each district. While the total funding allocation for a district is based on allocations for meals, accommodations and travel, it is notional in that it is treated on a block basis. Funding not required for one allocation can be used towards another.

In 2013-14, there was a 20 per cent across-the-board reduction to this allowance as a budget-reduction measure¹⁶¹. There was also a reallocation of funding among districts based on analysis conducted in conjunction with the budget process, which indicated that some districts needed a greater travel allocation while others could manage with less.

Also in 2013, following recommendations of the 2012 MCRC¹⁶², helicopter travel was removed from the intra- and extra-constituency allowance and established as a separate allowance¹⁶³. The 2012 MCRC recommendations also resulted in additional funding for several districts to support increased mileage¹⁶⁴.

In 2015-16, electoral boundary changes increased the size of some districts, resulting in additional funding to provide for increased travel costs because of the increase in the size of the districts.

In 2023, the Management Commission approved a new funding formula for intra- and extra-constituency allowance¹⁶⁵. The new formula groups districts into one of five categories based on a density indicator and allocates funding based on the history of funding used by all districts within that category. The density indicator was developed using geo-spatial analysis. The higher the density indicator, the more dispersed the population is and the higher the cost of traveling in the

¹⁶⁰ **Members' Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](#).

¹⁶¹ Online: [RuleAmendmentIntraConstituencyTravel.pdf \(assembly.nl.ca\)](#).

¹⁶² **MHA Salaries, Allowances, Severance Payments and Pensions Review**, MCRC, November 2012, p. 45.

¹⁶³ Online: [RuleAmendmentIntraConstituencyTravelHelicopter.pdf \(assembly.nl.ca\)](#).

¹⁶⁴ **MHA Salaries, Allowances, Severance Payments and Pensions Review**, MCRC, November 2012, pp. 45-49.

¹⁶⁵ CM2023-016 refers. Online: [HoaMCMinutes-2023-02-22.pdf \(assembly.nl.ca\)](#).

district. All districts within categories one through four receive the same amount of funding. Category five comprises districts with unique needs, and funding for these districts is allocated individually.

4. Helicopter travel:

The districts of Burgeo - La Poile, Cartwright - L'Anse au Clair, Fortune Bay - Cape La Hune and Torngat Mountains receive an annual allocation for intra-constituency helicopter travel due to challenges with travelling to remote areas. MHAs for these districts may only access helicopter travel with prior approval of the speaker and only if more economical travel is not available.

Prior to 2012, the intra- and extra-constituency allowance included funding for helicopter travel. As funding for this allowance is treated as block funding, MHAs for the noted districts could use the helicopter travel allocation for general intra- and extra-constituency travel and living expenses.

In 2012, helicopter funding became a separate allocation. Schedule B of the **Members' Resources and Allowances Rules**¹⁶⁶ specifies the amounts assigned to each district.

The rules governing reimbursement of expenses under these allowances are complex in that MHA entitlements depend on the locations of districts and permanent residences. As an example, an MHA living in and representing a district outside the capital region requires different travel and living supports than an MHA living in and representing a district in the capital region. The **Members' Resources and Allowances Rules** provide for these situations, as articulated in Rebuilding Confidence¹⁶⁷:

Members should have the flexibility to adopt whatever arrangement seems best for their individual circumstances and how they perceive they can best serve their constituents. The travel rules should be flexible enough to accommodate these differing possibilities provided, of course, that controls against abuse are built in.

¹⁶⁶ **Members' Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](#).

¹⁶⁷ Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, pp. 10-34.

To accommodate the varying requirements, there are four types of MHAs for the purpose of travel and living allowances:

MHA Category	Permanent Residence	District
MHA-1	Within capital region	Outside capital region
MHA-2	Within MHA’s district	Outside capital region
MHA-3	Within capital region	Within capital region
MHA-4	Outside MHA’s district	Outside capital region

The House-in-session, House-not-in-session and intra- and extra-constituency allowances are comprised of three components:

- **Travel:** the costs of air travel, vehicle rentals, ferry travel, the reimbursement of private-vehicle use, and the reimbursement of snowmobile use and fees associated with travel (e.g., booking fees, luggage fees, seat fees, et cetera). Private-vehicle and snowmobile use are reimbursed in accordance with the Treasury Board policies¹⁶⁸.
- **Accommodations:** the actual cost of a commercial standard room or a per diem rate of \$50/night (island) or of \$71/night (Labrador) for private accommodations.
- **Meals:** a per diem rate of \$50/day prorated as appropriate at \$10 for breakfast, \$15 for lunch and \$25 for dinner. These amounts are inclusive of HST.

There are three other allowances that affect travel and living allowances:

- The speaker and leaders of the opposition parties are permitted a taxable automobile allowance consistent with that provided to ministers¹⁶⁹. MHAs who avail of this allowance cannot claim any mileage under the House-in-session, House-not-in-session or intra- and extra-constituency allowances.
- MHAs eligible for accommodations in the capital region may elect to receive a taxable, lump-sum accommodations allowance. This allowance is calculated annually based on the formula in section 40.1 of the **Members’ Resources and Allowances Rules**. For fiscal 2024-25, the allowance is \$8,723.54¹⁷⁰.
- MHAs representing capital region and Corner Brook districts may claim a \$200/month taxable vehicle allowance in lieu of claiming mileage under the intra- and extra-constituency allowance.

¹⁶⁸ Online: [Automobile Reimbursement Rates for Using a Private Vehicle at Work - Treasury Board Secretariat \(gov.nl.ca\)](https://www.gov.nl.ca/gov/transportation/policy/treasury-board-secretariat-automobile-reimbursement-rates-for-using-a-private-vehicle-at-work); and online: “Travel in Employee owned Vehicles,” [Transportation Policy - Treasury Board Secretariat \(gov.nl.ca\)](https://www.gov.nl.ca/gov/transportation/policy/treasury-board-secretariat-transportation-policy).

¹⁶⁹ Online: “Directive Number 2010-007,” <https://www.assembly.nl.ca/mancomm/directives/Directive2010-007-AutomobileAllowanceandExpensePolicy-Leaders.pdf> (assembly.nl.ca).

¹⁷⁰ Information provided by Corporate and Members’ Services.

Constituency allowance

The constituency allowance provides for other types of expenses not provided for under other allowances that an MHA or constituency assistant may legitimately incur while conducting constituency business. The annual allocation for each district is \$3,000 (\$2,609, HST excluded). This allowance provides funding for goods and services, such as hospitality items for meetings or constituency events in which the MHA either hosts or participates; memberships in community organizations (e.g., chambers of commerce), short-term rentals of meeting space; costs associated with conferences or training courses; expenses associated with representation of constituents at meetings or hearings; and equipment not provided by the House.

The legislative regime prohibits donations of goods or services of any kind, the purchase of personal items, artwork, alcohol, cannabis and raffle tickets, or the use of funds for political purposes.

Analysis

The 2024 MCRC analysis to determine whether allowances are fair and reasonable was two-fold, encompassing:

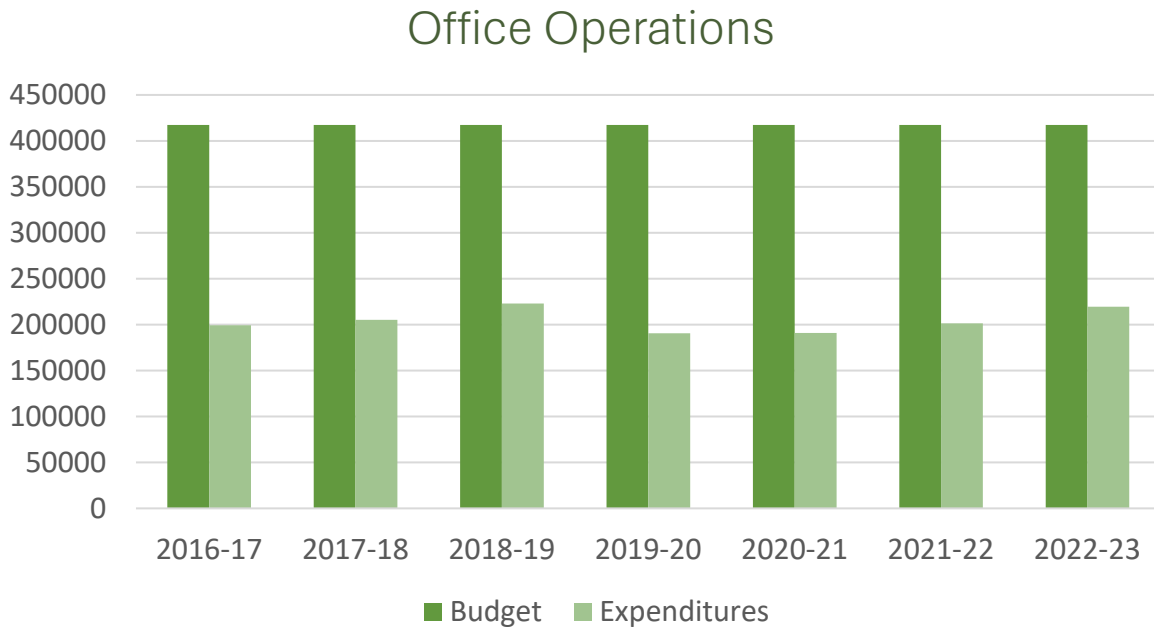
1. An examination of each allowance in terms of funding allocation and eligible uses against actual expenditures over time to determine overall efficacy; and
2. Consideration of the issues and concerns regarding allowances expressed¹⁷¹ during the consultation process, specifically:
 - a. the kilometre rate for private-vehicle usage;
 - b. the 60-kilometre restriction;
 - c. the adequacy of meal rates;
 - d. the ineligibility of parking expenses under intra- and extra-constituency allowances;
 - e. the number of House-not-in-session trips;
 - f. the amount of intra- and extra-constituency allowance;
 - g. the out-of-pocket costs;
 - h. the interpretation of donations;
 - i. the inability to transfer funds between allowance types;
 - j. the ambiguity of rules;
 - k. the travel not provided for in the **Members' Resources and Allowances Rules**; and
 - l. the restriction on the location of constituency offices.

This analysis was informed by actual transactional data from fiscal year 2016-17 – the first full fiscal year following the 2015 electoral boundary changes and subsequent election of the 48th General Assembly – through to the end of fiscal year 2022-23. During this period, there were 64 different MHAs, with 50 per cent of districts having representation from two or more MHAs over three General Assemblies.

¹⁷¹ There were no issues or concerns expressed from the public regarding the allowance regime.

Office allowances

The below illustrates budget against spending for each of the last seven years.

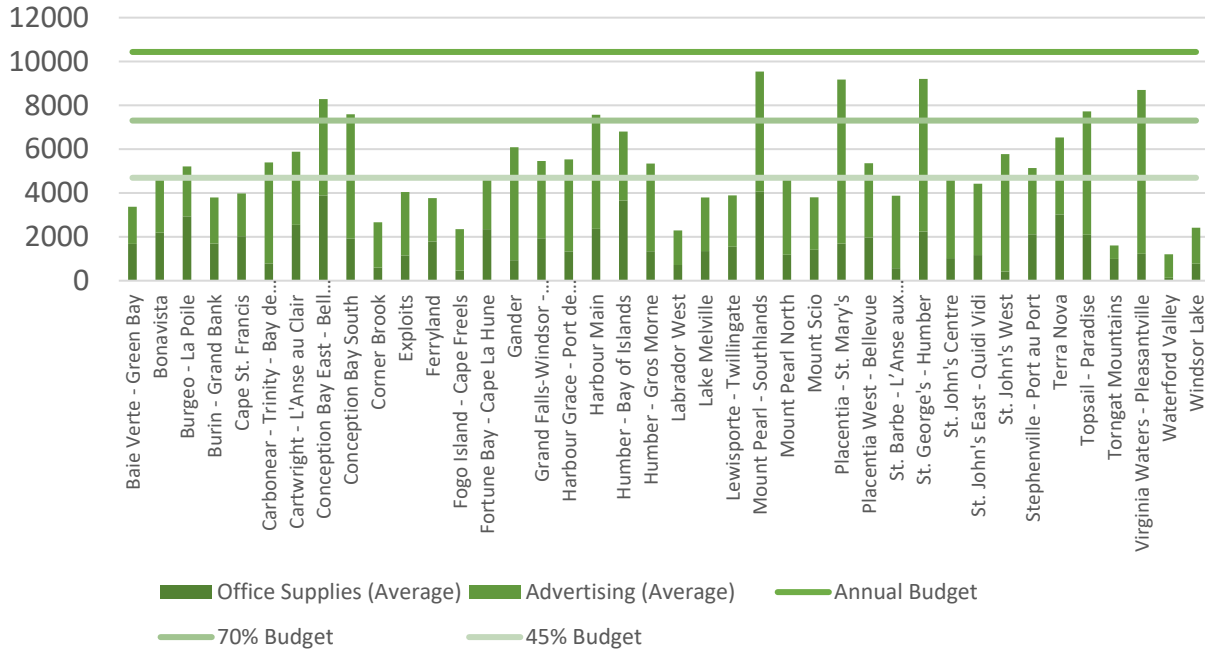


Spending is consistent year over year with, on average, approximately 49 per cent of the total allocated budget spent each year.

Approximately 67 per cent of the expenditure is on advertising and the remaining 33 per cent on office supplies. The median expenditure is 45 per cent.

As illustrated below, approximately 25 per cent of the MHAs spend at least 70 per cent of the allocated budget in a fiscal year.

Office Operations Expenditures by District 2016-17 – 2022-23



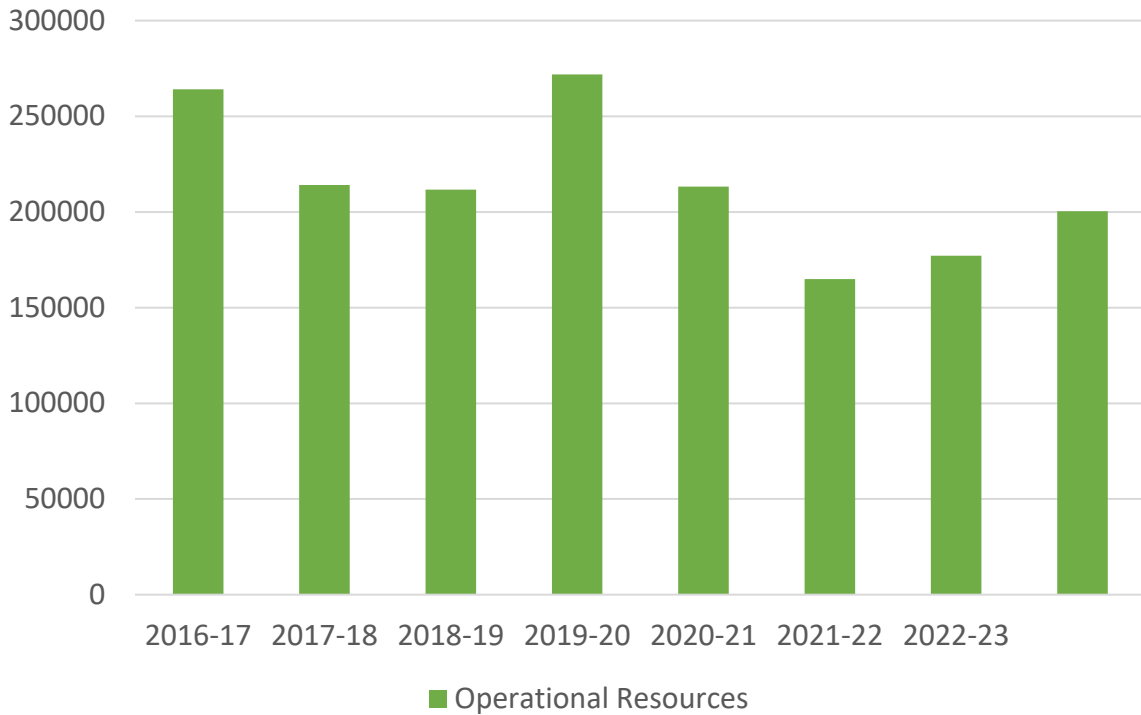
Expenditures usually decrease during election years, as minimal, basic office supplies form the only expenditures allowed during the writ period¹⁷². Also, due to the COVID-19 pandemic, spending was suppressed in fiscal year 2020-21.

The 2024 MCRC heard concerns with respect to this allowance related to the complexity and ambiguity of the **Members' Resources and Allowances Rules** and the inability to transfer funds between various allowances, which is addressed later in this section.

¹⁷² Online: [Microsoft Word - Dissolution Guidelines - June 2011 updated August 2015.doc \(assembly.nl.ca\)](#).

Operational resources

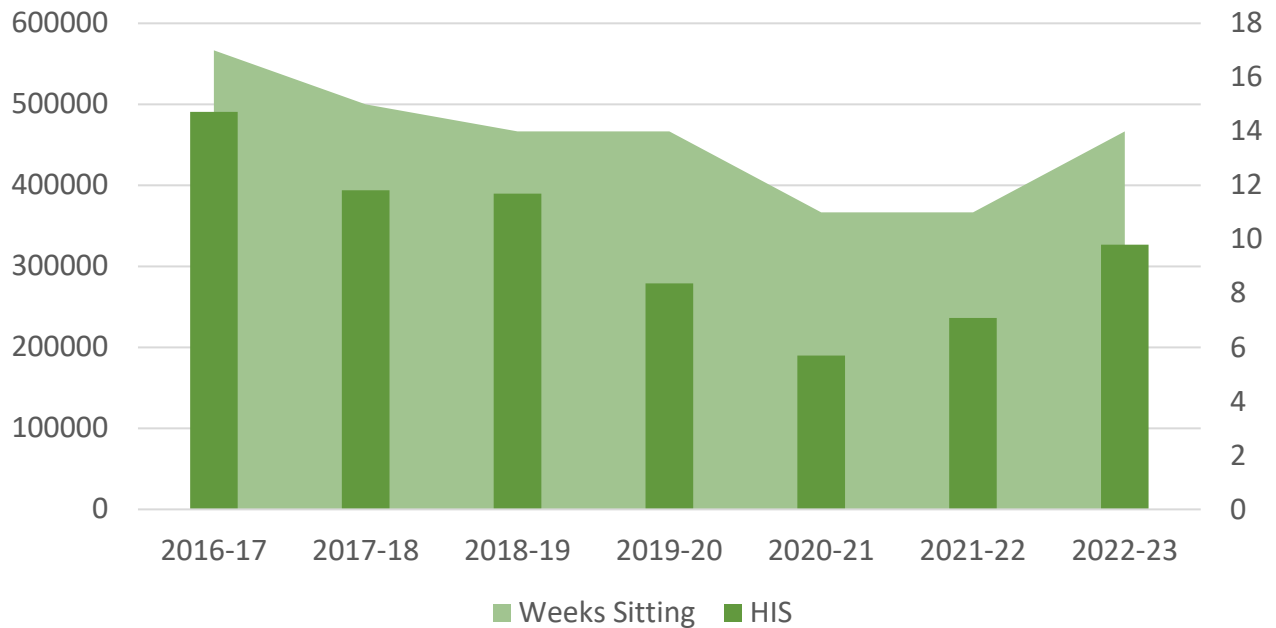
The following illustrates spending on operational resources for the past seven years. In the period immediately following an election, expenditure typically increases as new and upgraded equipment (e.g., smart phones) is purchased for newly elected MHAs and their constituency assistants.



The 2024 MCRC heard no issues or concerns from the public or MHAs regarding this allowance.

House-in-session expenditures

The following illustrates actual House-in-session expenditures over the past seven years.

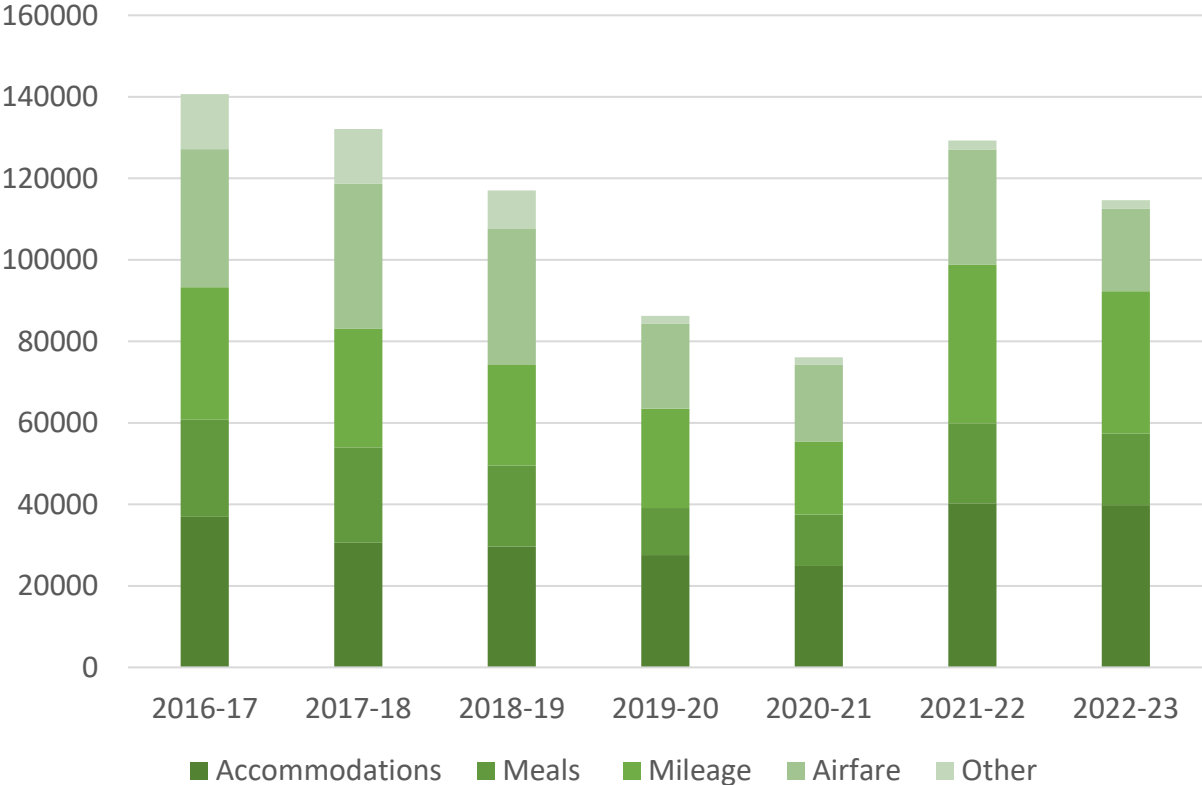


House-in-session expenditures are influenced by the number of sitting days and sitting weeks. As an example, due to the COVID-19 pandemic, fiscal year 2020-21 had the lowest number of sitting days – 32 days spread over 11 weeks – and, as a result, incurred the lowest House-in-session expenditures during the time frame reviewed.

The 2024 MCRC heard concerns about this allowance regarding the adequacy of the kilometre rate for private-vehicle usage, the impact of the 60-kilometre rule and the reasonableness of the meal per diem, which are discussed separately later in this section.

House-not-in-session expenditures

The following depicts House-not-in-session expenditures over the past seven years.



The 2024 MCRC heard concerns about this allowance regarding the kilometre rate for private-vehicle usage, the 60-kilometre rule and the meal per diems – all of which are addressed later in this section. A fourth concern was the adequacy of the 20 return trips/50 accommodation nights cap on this allowance, which have been in place since 2007.

The 2024 MCRC’s analysis of House-not-in-session usage indicates that 27 of the 40 districts had House-not-in-session travel expenditures between April 2016 and March 2023; 26 of these districts also had House-not-in-session accommodation expenditures over the same period.

The average and median House-not-in-session return trips between April 2016 and March 2023 is 8.5. The full number of House-not-in-session trips were expensed seven times.

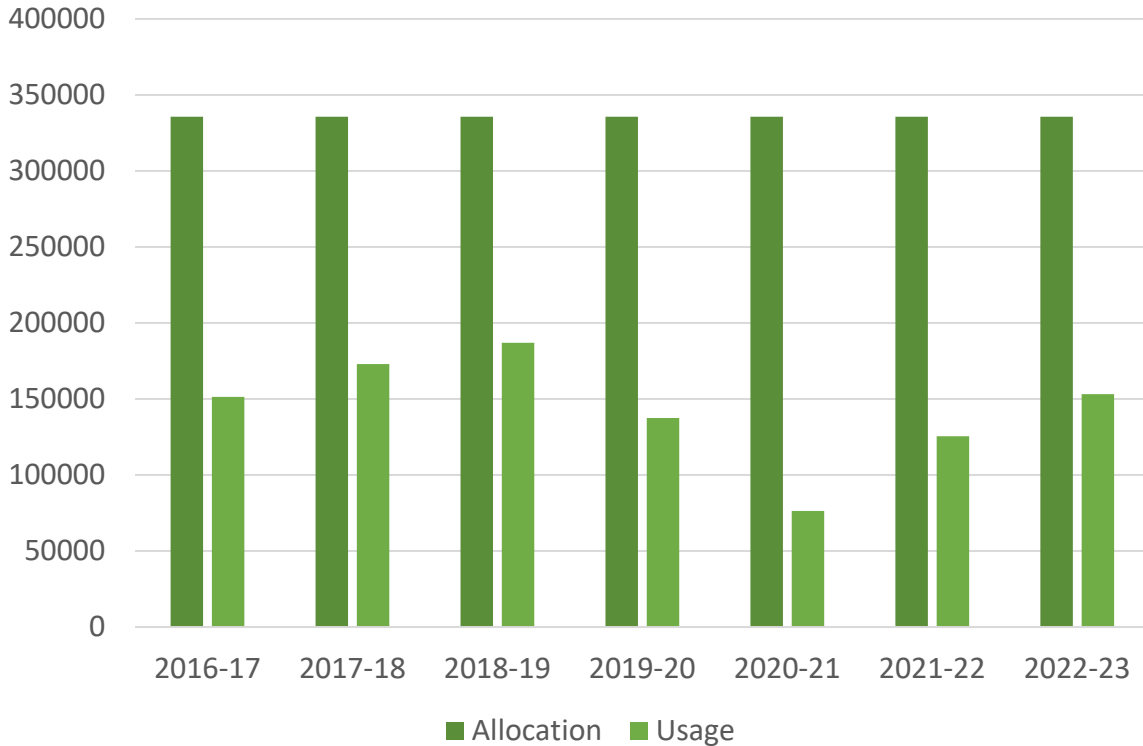
The average number of House-not-in-session accommodation nights billed over this period is 19; the median is 15. The full annual allocation – i.e., 50 nights – was used 14 times.

There were no instances of a single district using the full allocation of nights and trips every year.

Based on current usage, the 2024 MCRC does not recommend an increase in the number of House-not-in-session trips and accommodation nights.

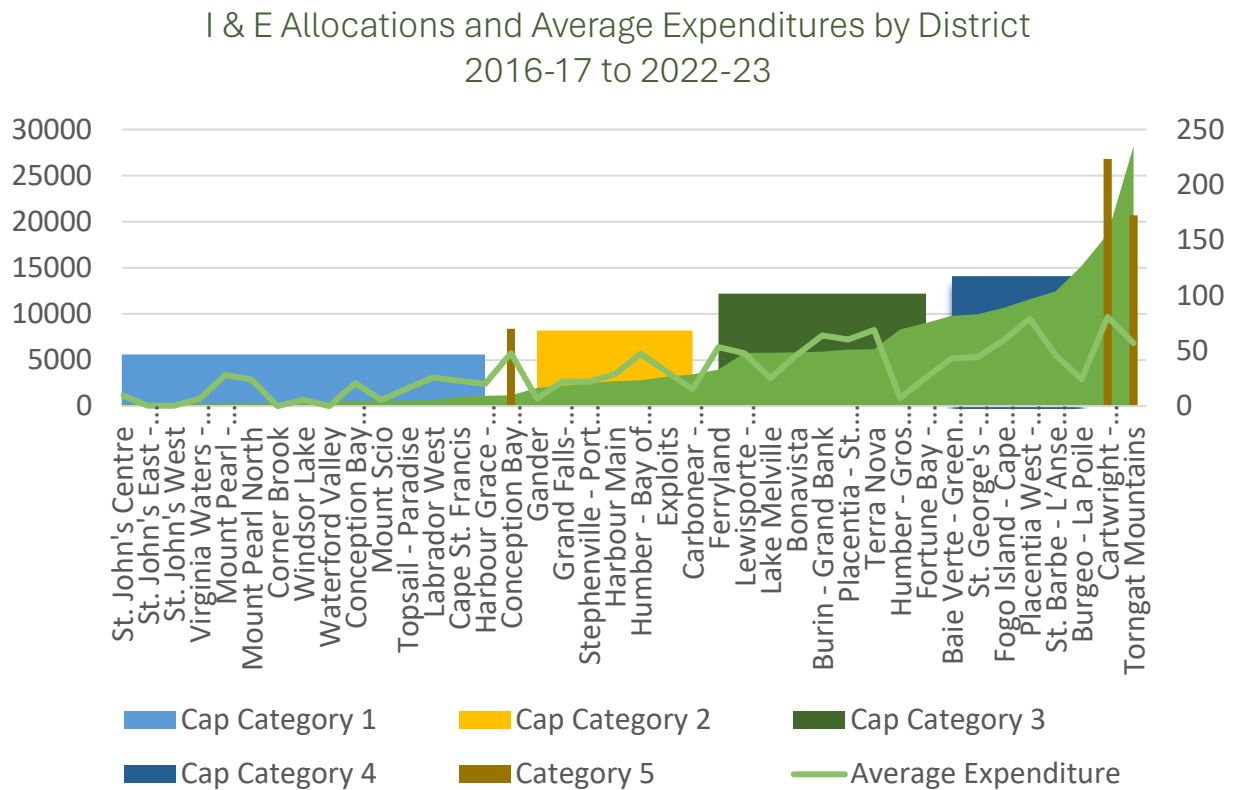
Intra- and extra-constituency travel allowance

The following illustrates intra- and extra-constituency expenditures between April 1, 2016 and March 31, 2023.



Some MHAs expressed concern regarding the adequacy of intra- and extra-constituency funding. The Management Commission approved the current intra- and extra-constituency funding formula in February 2023, which the legislature implemented in the 2023-24 fiscal year.

The following illustrates the intra- and extra- constituency allowance and average expenditure on a district basis.



As shown, average expenditures are within the allowances established for each district. According to Corporate and Members' Services, as of the end of January 2024, the monthly expenditure reports indicate approximately 93 per cent of MHAs had expended less than 75 percent of their available allocations. The efficacy of the new model will not be known until after the close of fiscal 2023-24, at which point the Management Commission can review outliers and make appropriate adjustments.

The review of this allowance included the \$200/month vehicle allowance provided to MHAs representing capital region districts and the district of Corner Brook for intra- and extra-constituency travel.

When the new intra- and extra-constituency model was developed, the following districts were grouped in category one:

District Name	Density Index
St. John's Centre	1.8
St. John's East - Quidi Vidi	1.8
St. John's West	2.3
Virginia Waters - Pleasantville	2.3
Mount Pearl - Southlands	2.5
Mount Pearl North	2.6
Corner Brook	3.0
Windsor Lake	3.1
Waterford Valley	3.9
Conception Bay South	4.6
Mount Scio	4.6
Topsail - Paradise	5.3
Labrador West	5.4
Cape St. Francis	8.5
Harbour Grace - Port de Grave	9.3

Category one comprises all districts with low-density indicators, i.e., the districts are compact in terms of accessing constituents in comparison to rural districts. Category one includes Corner Brook, Labrador West, Harbour Grace - Port de Grave and all capital-region districts, except Conception Bay East - Bell Island. Conception Bay East - Bell Island has a density indicator of 9.8, which makes it comparable to category one districts, but is listed separately for intra- and extra-constituency allowance purposes as the district requires additional funding to appropriately provide travel support to Bell Island.

The 2016 MCRC recommended¹⁷³ a taxable \$200/month vehicle allowance for all capital-region districts and the district of Corner Brook. MHAs representing these districts have the option of claiming private-vehicle usage on a kilometre basis for intra- and extra-constituency travel or availing of the vehicle allowance. Using the vehicle allowance relieves the MHA of having to record actual mileage, which can be tedious for short trips. Many capital-region MHAs have availed themselves of this option. The 2024 MCRC heard no issues raised regarding this component during the consultation process.

After implementation of the vehicle allowance and following from the development of the density indices, the districts of Labrador West and Harbour Grace - Port de Grave have density indicators like those of the capital region and Corner Brook.

The 2024 MCRC recommends making the option of claiming the vehicle allowance available to the districts of Labrador West and Harbour Grace - Port de Grave.

In May 2021, an MHA wrote the Management Commission seeking a vehicle allowance for a portion of their district¹⁷⁴.

Under subsection 15(1) of the **House of Assembly Accountability, Integrity and Administration Act**, a non-accountable allowance can only be established upon a recommendation from an MCRC. As part of the review of the intra- and extra-constituency allowance, the 2024 MCRC examined the viability of establishing a monthly vehicle allowance for all districts. The 2024 MCRC does not recommend extending the monthly vehicle allowance because:

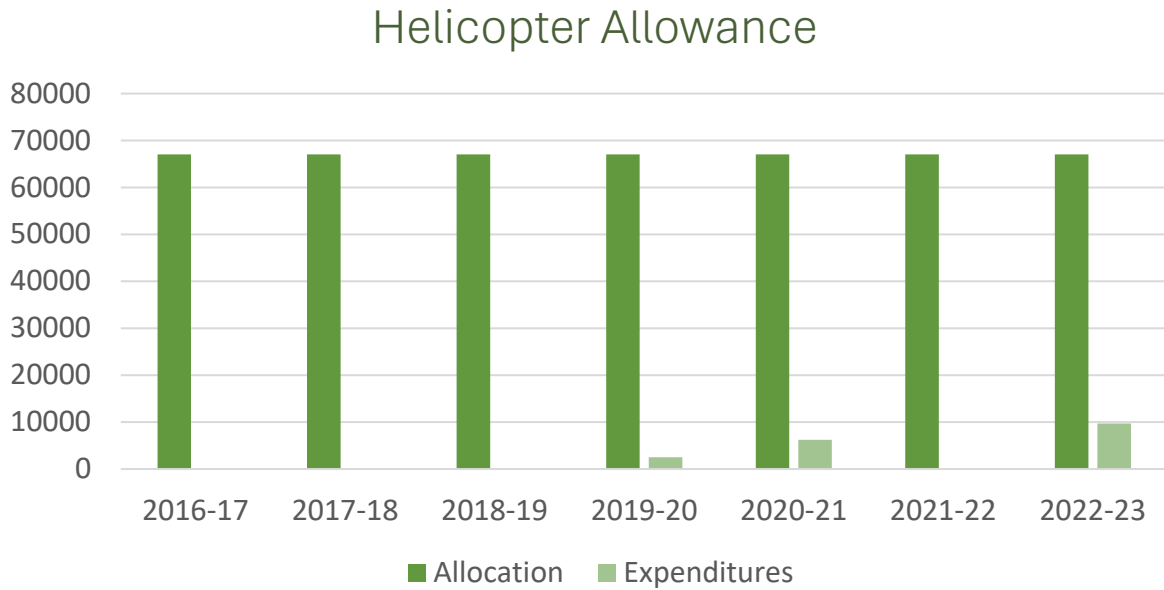
- An allowance to cover a part of a district is administratively prohibitive;
- In some districts, the constituency assistant uses a significant portion of the mileage allocation; and
- The actual mileage used is an important input in determining whether the intra- and extra-constituency allowance is sufficient to meet the MHAs' needs.

¹⁷³ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 57.

¹⁷⁴ Online: [House of Assembly Management Commission](http://assembly.nl.ca) (assembly.nl.ca).

Helicopter travel

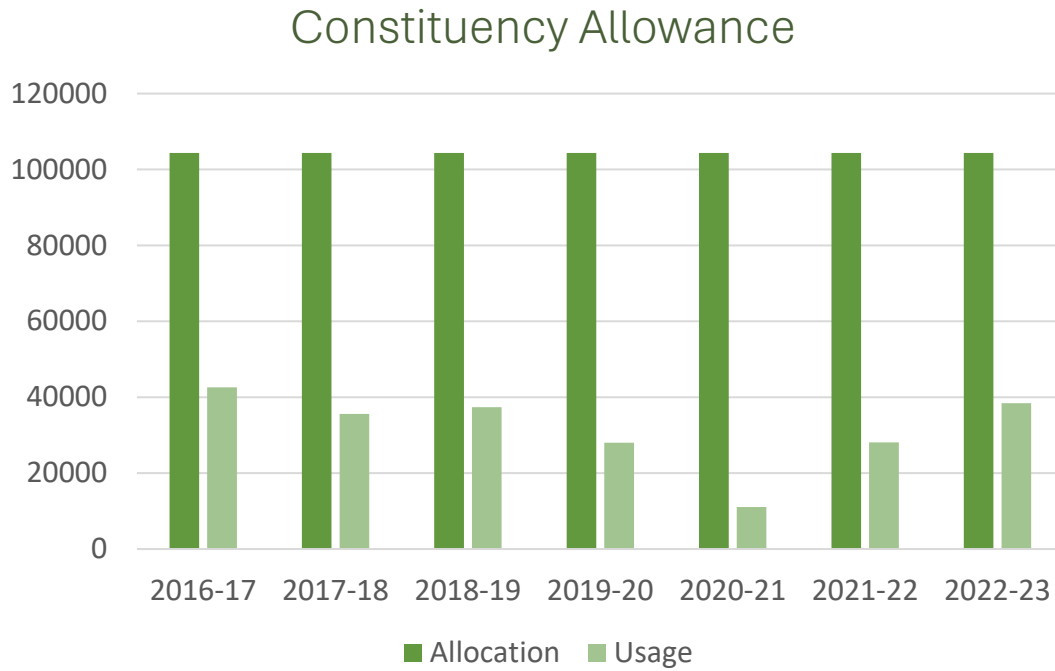
The following provides an overview of helicopter usage over the past seven years. As illustrated below, helicopter usage tends to be for extenuating circumstances and usage is therefore minimal.



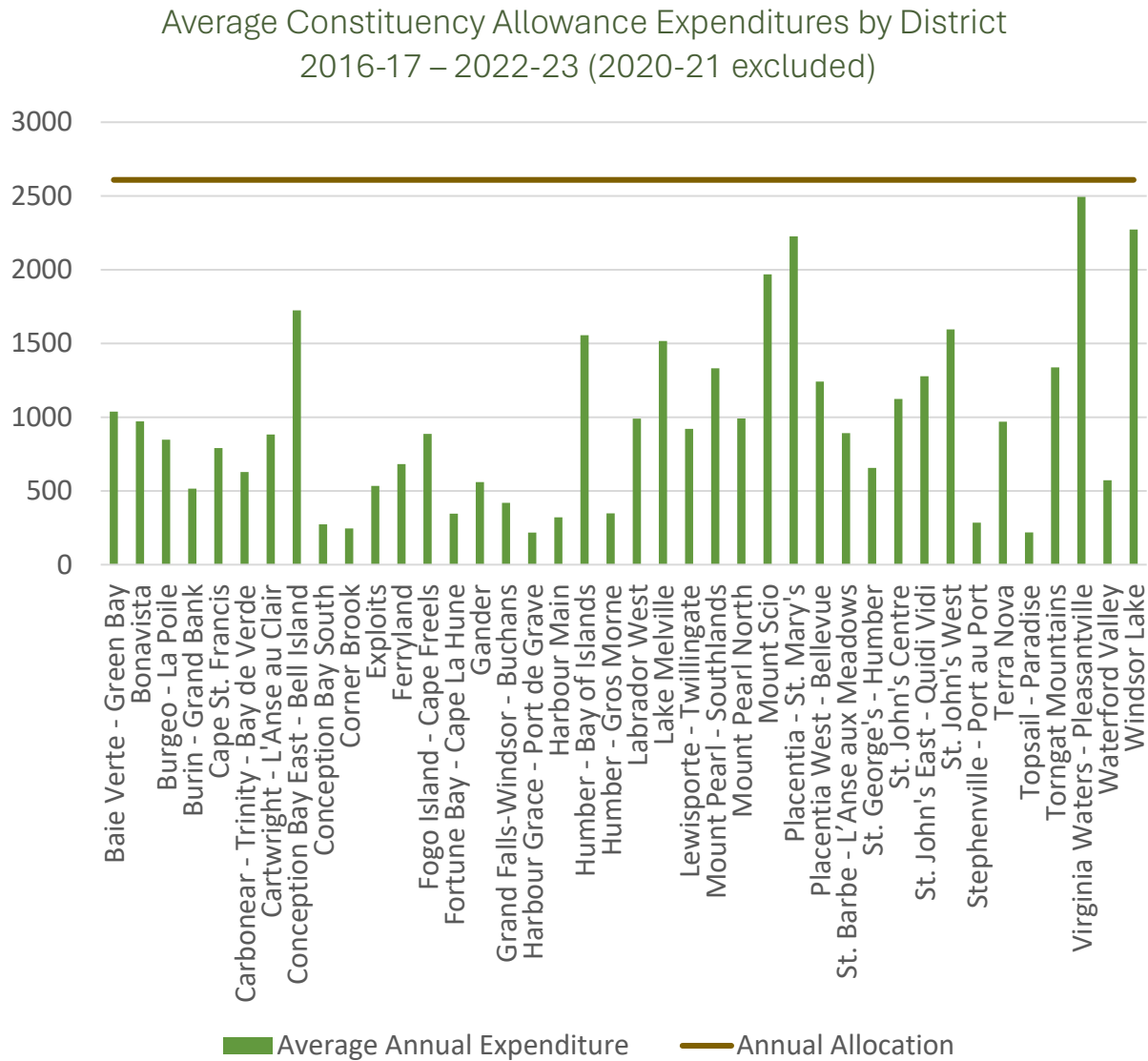
The 2024 MCRC heard no concerns raised regarding this allowance.

Constituency allowance

Overall, expenditures on constituency allowances are approximately 35 per cent of the available budget, as illustrated below.



On a district basis, expenditure of this allowance is highly variable, as shown below for the period 2016-17 through 2022-23. The information excludes fiscal 2020-21, as the pandemic, coupled with a general election in 2021, significantly suppressed spending.



The 2024 MCRC heard issues raised in connection with this allowance with respect to out-of-pocket costs, the interpretation of donations, the ambiguity of the **Members' Resources and Allowances Rules** and the inability to transfer funds between different allowances.

Some MHAs indicated they incur significant out-of-pocket costs associated with attendance at community events, particularly fundraisers. The 2024 MCRC recognizes the financial burden on MHAs, considering the expectation to attend so many of these events.

The 2024 MCRC reviewed the issue of out-of-pocket costs associated with attendance at community events and determined the only option would be to create a type of block funding for which receipts would not be required, i.e., a non-accountable, taxable allowance. This approach would be inconsistent

with the accountability framework. The issues around block funding are discussed extensively in Chapter 10 of Rebuilding Confidence¹⁷⁵.

The 2024 MCRC also heard from MHAs on the issue of hospitality. MHAs can use the constituency allowance to provide hospitality items – e.g., food such as sandwiches, cookies, cakes, et cetera – and other supplies, for meetings related to constituency business or for constituency-related events, provided the MHA or their constituency assistant is in attendance.

This provision of the **Members’ Resources and Allowances Rules** has caused tension between MHAs and House staff when MHAs have sought reimbursement for goods or services provided at events for which they were not in attendance.

Reflecting on this matter, the purpose of the expenditure must be considered, as stated in Rebuilding Confidence¹⁷⁶:

As well, it is important for actors in the system to understand that, for the regime to operate fairly, more is required than rote or mechanistic application of specific rules or precedents without filtering the decision through the sieve of principle to ensure that the underlying purpose of the regime is being served.

Should the MHA or their constituency assistant attend the meeting or event, constituents can engage with the MHA on constituency-related matters. In the absence of the MHA or the constituency assistant, providing goods or services for an event is a donation.

Recently, the matter of attendance has evolved, and a question has arisen: Is virtual participation an acceptable form of attendance? Again, the 2024 MCRC must consider the purpose. If MHAs can engage with constituents, whether in person or virtually, the expense should be eligible, especially considering the House accommodates virtual participation in committee meetings.

While MHAs are permitted hospitality expenses, the **Members’ Resources and Allowances Rules** prohibit MHAs from expensing meals in restaurants, except for holding an event. One prohibition listed under subsection 46(4) is:

(g) meal expenses in restaurants, pubs, delicatessens and similar establishments for meetings with constituents, their family members and other guests and hospitality food and beverages except as provided for in paragraph (3)(a) ...¹⁷⁷

The **Members’ Resources and Allowances Rules** provide for MHAs to rent a meeting space and provide food. Conceivably, an MHA could rent a meeting room in a hotel and order food from the hotel or a caterer. The 2024 MCRC does not see any difference between this provision and the provision to conduct a meeting regarding constituency business in a restaurant, pub, et cetera when travelling around the constituency.

¹⁷⁵ Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007.

¹⁷⁶ *Ibid.*, pp. 10-19.

¹⁷⁷ **Members’ Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](https://www.assembly.nl.ca/cnlr/part-ii-records-and-disclosure).

Kilometre rate

Use of private vehicles for work purposes is reimbursed on a rate/km basis. The House uses the reimbursement rate policy established by the Treasury Board Secretariat for public employees and reimburses MHAs for private-vehicle use at the designated rate (i.e., ~54¢/km) for the first 9,000 kilometres and the basic rate (i.e., ~39¢/km) thereafter. The policy provides for monthly rate adjustment.

Some MHAs indicated that, due to significant mileage and fuel costs incurred each year, they have substantial wear and tear on their vehicles, costs which the kilometre rate is insufficient in offsetting. While MHAs do have the option of using taxis, renting vehicles and using air travel to and from their districts, many prefer to use their private vehicles as a more convenient and efficient means of transportation for themselves, and a more cost-effective means for the public purse.

The 2024 MCRC analysis of mileage reimbursed to MHAs indicates that 18 districts – all outside the capital region – have billed mileage more than 15,000 kilometres 50 per cent of the time since 2016-2017, with an average of 25,500 kilometres per district, and several MHAs regularly use more than 35,000 kilometres annually. These figures are likely understated, as ministerial mileage claims by MHAs are not included in the analysis. This mileage does not include mileage incurred for personal-vehicle use.

Considering 20,000 kilometres annually is normal usage, vehicles of MHAs incurring significant mileage can be expected to wear out and exhaust warranties sooner and have reduced resale value and higher maintenance costs.

Consequently, the 2024 MCRC asserts that the 9,000-kilometre cap on the designated rate for mileage claims is insufficient to adequately support MHAs in carrying out their duties when using their private vehicles.

Eligibility of mileage claims within the 60-kilometre commuting distance zone (the 60-kilometre rule)

MHAs who live within 60-kilometre commuting distance of the legislature are not permitted to claim mileage for travel to and from the legislature. In response to a 2016 MCRC recommendation¹⁷⁸, subsection 29(5.1) was added to **Members' Resources and Allowances Rules** so that MHAs travelling to the legislature from their districts beyond the standard commuting distance could not claim mileage within the 60-kilometre zone. This 60-kilometre rule was meant to create equity amongst MHAs by placing all MHAs who travel within the 60-kilometre zone on the same footing. Consequently, MHAs outside the 60-kilometre zone deduct 120 kilometres (return) from the mileage they claim.

MHAs commuting from their homes to their constituency offices are not reimbursed mileage if within the standard 60-kilometre commuting distance. This is equally applied to all MHAs, regardless of the location of their constituency offices.

¹⁷⁸ [Review of MHA Salaries, Allowances, Pensions & Severance](#), MCRC, November 2016, p. 49.

MHAs travelling to the legislature from outside the 60-kilometre commuting zone are considered on travel status and, generally, persons on travel status are reimbursed for full mileage. MHAs who travel to the legislature via rental vehicles, air travel and taxis are reimbursed the full cost of travel.

Again, many MHAs outside the capital region are incurring significant mileage and, as a result, substantial wear and tear on their vehicles each year.

The 2024 MCRC therefore concludes that this restriction is unnecessary and MHAs outside the 60-kilometre commuting distance should be reimbursed for the full mileage incurred when travelling to the legislature from their districts.

Eligibility for parking expenses

Should an MHA use a rental vehicle for intra- and extra-constituency travel, they are not permitted to claim parking fees for their primary vehicle.

For example, if an MHA drives to the capital region to attend the legislature, returns to their constituency by air and rents a vehicle to travel to and around their district, the MHA is not able to claim the airport parking fee for the primary vehicle.

The rationale for this is unclear. The expense is legitimate in supporting an MHA in the conduct of constituency business. Therefore, the 2024 MCRC recommends that this restriction should be removed.

Adequacy of meal rates

MHAs on travel status to attend the legislature or attend parliamentary events outside the province may claim appropriate meal per diems. All MHAs are entitled to claim meal per diems when travelling in their districts.

The current meal per diem for intra-provincial travel is \$50 (HST inclusive) per day and is pro-rated based on eligibility to claim breakfast (\$10), lunch (\$15) and/or dinner (\$25).

MHAs who use temporary accommodation (i.e., commercial accommodation) are restricted to a standard room. Some MHAs indicated to the 2024 MCRC that, without the availability of cooking facilities, it is difficult to purchase meals within the amounts allocated.

Recently, the Treasury Board Secretariat updated the policy respecting meal per diems for the public service, as follows:

Meal rates

	Breakfast	Lunch	Dinner	Total
NL	9.60	16.80	26.04	52.44
Other Provinces	12.18	19.68	28.38	60.24
USA	12.18 (\$US)	19.68 (\$US)	28.38 (\$US)	60.24 (\$US)
Other	13.50	21.54	31.20	66.24

Special per diem allowances for meals for foreign travel may be approved by the deputy minister. In applying this policy, the Deputy Minister may reference, as a guide, the [federal Treasury Board travel directive](#)¹⁷⁹. Employees on travel status are reimbursed for these listed meal rates without receipts.

Where employees incur meal costs higher than the established meal rates, they may be reimbursed the actual and reasonable expenses of the meal(s), based on receipts and prior approval of the Deputy Minister.

The current Treasury Board Secretariat policy provides \$2.44 more than MHAs may currently claim. Given the difference between the two meal rate policies, the two should be aligned to decrease ambiguity and enhance processing efficiency.

MHAs occupying hotel rooms without cooking facilities are understandably challenged to obtain healthy eating choices within the current per diems. Therefore, it is fair to reimburse the actual, reasonable cost of meals, exclusive of the purchase of alcoholic beverages.

It is also reasonable to expect MHAs travelling internationally to incur higher food costs. In these situations, the federal Treasury Board travel directive for meals should apply without the MHA seeking specific approval – the initial travel approval is sufficient. Furthermore, MHAs travelling outside the province should have the ability to provide receipts for food costs, providing that costs are reasonable, and the purchase of alcoholic beverages are not eligible for reimbursement.

To stipulate reasonable cost, the 2024 MCRC recommends assigning a limit to the daily meal allocation when MHAs submit one or more receipts.

¹⁷⁹ Online: [Appendix D – Allowances – Module 4 International Meal Rates \(njc-cnm.gc.ca\)](#).

Transfer of unspent funds

Some MHAs expressed frustration that they were unable to purchase goods or services they required for their offices because of insufficient funding available in the designated allocation, and that the availability of funds in another allocation could not be transferred to cover the cost.

The **Members' Resources and Allowances Rules** are prescriptive, designed based on principles articulated in Chapter 10 of Rebuilding Confidence¹⁸⁰:

Recommendation No. 69

- (1) The use of block funding as the basic means of administering the allowance regime should be done away with;
- (2) Broad categories of allowances should be established, each with its own set of rules and controls appropriate to the control and administration of each type of expenditure;

...

Recommendation No. 70

- (1) The types of allowances available to Members of the House of Assembly to defray legitimate expenses associated with constituency business should be broken down into the following categories:
 - (a) office allowances;
 - (b) operational resources;
 - (c) travel and living allowances;
 - (d) a residual, constituency allowance; and
- (2) Each category of allowance should be dealt with separately in rules adopted by the House of Assembly Management Commission with conditions attached to their use being adopted to ensure proper administration and control as may be appropriate to each separate category.

Section 14 of the **Members' Resources and Allowances Rules**¹⁸¹ reflects the above recommendations: subsection 14(1) establishes the categories of allowances and subsection 14(2) prohibits transfer of funds between the various allowance categories.

There are two allowances that have specific funding allocations assigned to MHAs: the office allowance, which provides \$12,000 (HST included); and the constituency allowance, which provides \$3,000 (HST included).

¹⁸⁰ Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007, pp. 10-25 and 10-27.

¹⁸¹ **Members' Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](#).

The **Members’ Resources and Allowances Rules**¹⁸² also provide for a separate allowance category not included in section 14: the office start-up allowance. This allowance provides funding of \$1,000 (HST included) to first-time elected MHAs for expenses associated with establishing constituency offices. Unspent balances are carried forward each subsequent year until the General Assembly dissolves.

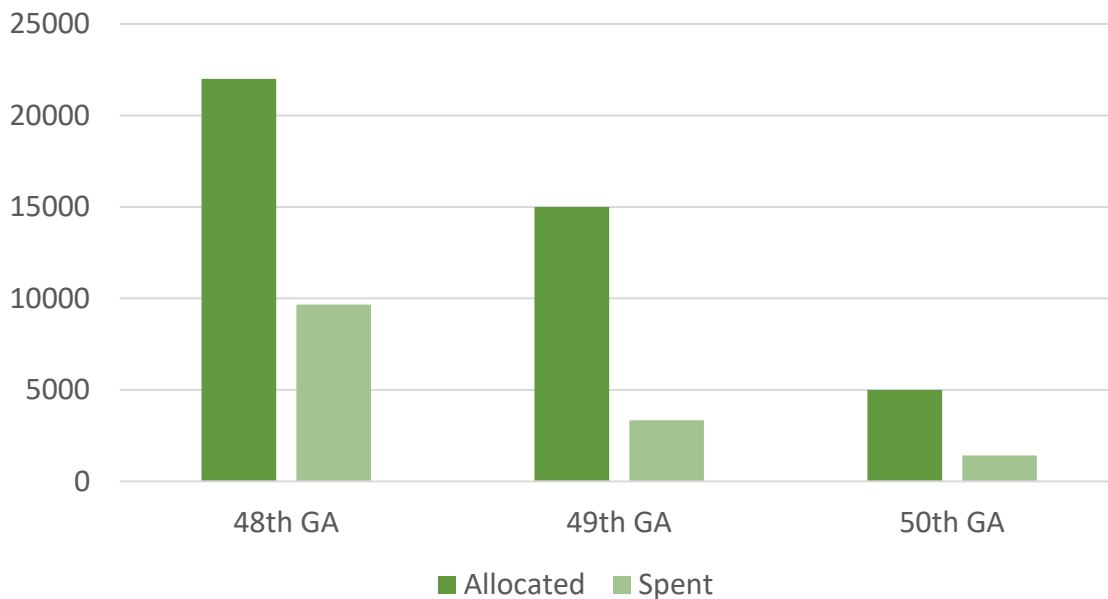
Section 19 of the **Members’ Resources and Allowances Rules** specifies the office start-up allowance:

19.(4) Following a general election or by-election, a new member who was not a member in the preceding session of the House of Assembly is, in addition to the constituency office accommodation allowance, entitled to claim amounts associated with the start-up of the member's office in an amount of not more than \$1,000 to defray expenses for supplies and equipment as follows

- (a) office supplies such as paper trays, 3-hole punch, staplers, pencil holders, scissors, hanging folders, kettle and coffee maker;
- (b) office equipment such as a computer monitor stand and non-glare screen; and
- (c) other non-consumable items directly related, in the opinion of the Clerk, to establishing a constituency office.

Forty-four first-time MHAs were elected to the 48th, 49th and 50th General Assemblies and were provided in total \$44,000 (HST included) as a start-up allowance. To date, approximately 33 per cent of this allowance has been spent. The funds available to first-time MHAs elected in the 48th and 49th General Assemblies have expired. Approximately \$4,600 remains in the allowance in the 50th General Assembly.

Start-Up Allowance



¹⁸² Ibid., s.19.

The constituency, office operations and start-up allowances each permit the purchase of some of the same items. However, the purchase must be fully funded from a single allowance. MHAs cannot spread the cost of items over the allowances and cannot transfer between allowances to make up the full cost.

For example, an MHA can use either the office allowance or the constituency allowance to fund language training. If the tuition cost exceeds the amount of funding available in both allowances, a transfer is not permitted to make up the full amount, even though the expenditure is eligible under the **Members' Resources and Allowances Rules**.

A further example is the purchase of equipment not provided by the House, which is allowed under the constituency allowance or the start-up allowance. If the full amount is not available under one of the allowances, funds cannot be transferred to make up the difference.

Corporate and Members' Services also advises that because constituency offices have been established for a considerable time, MHAs have little need for items eligible under the start-up allowance. However, the funding cannot be used for other items, e.g., memorial wreaths or hospitality, which must be purchased under the constituency allowance.

The 2024 MCRC recommends combining the office operations allowance and the constituency allowance into a single allowance and eliminating the start-up allowance. In doing so, the prohibitions inherent in the **Members' Resources and Allowances Rules** would continue, but eligible expenses could be expressed in the **Members' Resources and Allowances Rules** in more general terms, with the Management Commission providing guidance on which items would be eligible. The 2024 MCRC also recommends that the audit committee review the use of this allowance annually to ensure the accountability framework is maintained, making necessary recommendations to the Management Commission.

Travel not provided for in the Members' Resources and Allowances Rules

During this review, a sitting MHA of the House passed away, which is a rare occurrence. MHAs could not expense travel to their deceased colleague's district, which was outside the capital region, to attend the funeral as the **Members' Resources and Allowances Rules** do not include travel provisions for this situation. Had the funeral taken place in the capital region, such travel could be combined with House-in-session or House-not-in-session travel.

A survey of Canadian jurisdictions indicates that approximately half have flexibility in their travel rules to accommodate such scenarios.

In 2017, section 37.3 was added to the **Members' Resources and Allowances Rules**¹⁸³, as a result of a 2016 MCRC recommendation¹⁸⁴, which allows MHAs to charge expenses against House operations when travelling for training required by the House. Before this amendment, the training had to be coordinated

¹⁸³ **Members' Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](#).

¹⁸⁴ Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016, p. 48.

or deferred until MHAs could travel under House-in-session provisions (i.e., swearing-in ceremonies or when the House was sitting), which was not always conducive to training purposes:

37.3 (1) Where, at the request of the clerk, while the House of Assembly is not in session, a member travels between the capital region and his or her constituency or permanent residence in order to participate in orientation, training or other services provided by the House of Assembly, that member may claim the costs associated with that travel.

(2) For the purposes of subsection (1), travel costs are not included in the 20 return trips permitted under section 35, 36 or 37 but shall be claimed in the same amounts permitted under those sections.

(3) The number of nights and daily amounts that may be claimed under this section are as established by the clerk at the time of the request.

The 2024 MCRC notes that the Management Commission should have a similar provision to authorize travel and living expenses for MHAs in extraordinary circumstances and designate that travel may be expensed as an extra-constituency expense against the intra- and extra-constituency travel allowance.

Limitation on constituency office location

The **Members' Resources and Allowances Rules** ¹⁸⁵ provide for constituency offices, but constituency offices are not enumerated as an allowance category. Nonetheless, the matter was raised during consultations.

The **Members' Resources and Allowances Rules** ¹⁸⁶ provide that every MHA can choose to have their constituency office located in their district or in Confederation Building Complex. When choosing to locate a constituency office in a district:

- It is the MHA's choice as to which area of the district the office will be located;
- If government-owned/leased space is available in the MHAs' community of choice, the MHA must occupy this space; and
- Space leased from an outside party is obtained through the public procurement process.

This works for all districts except the district in which the Confederation Building Complex is located. As there will always be space available in Confederation Complex to accommodate a constituency office, the MHA representing this district is automatically precluded from the option of operating a constituency office from a smaller, more accessible location.

If the Confederation Building Complex was excluded under the constituency office location requirements, the MHA representing the district in which the Complex is located would be subject to the same conditions as all other MHAs.

¹⁸⁵ **Members' Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](#), s.20.

¹⁸⁶ *Ibid.*

Summary

Since its 2007 implementation, multiple parties audit and review the current expense regime annually:

- An audit by the Auditor General;
- Audits on selected matters by the Comptroller General; and
- Reviews of internal controls as required for the Management Certification process conducted by an external auditor.

Additionally, the Auditor General conducts a compliance audit for every General Assembly.

The audit committee considers the results of these audits and reviews, and in turn makes recommendations to the Management Commission. To date – for seventeen years – no substantive issues have been identified. The public can be assured that the legislature is operating in a transparent and accountable manner and that MHAs are compliant with the rules that govern them.

The allowance regime, although prescriptive, essentially works to serve the needs of MHAs. Except for out-of-pocket expenses, there were no gaps identified. Allowances that have usage caps appear to be adequate and serve the needs of most MHAs. The Management Commission has the authority to address inconsistencies.

That said, the 2024 MCRC recommends some general adjustments to ensure the allowance regime sufficiently supports MHAs in carrying out their responsibilities. These include:

- Adjustments to the mileage provisions to reflect the extensive use MHAs make of their personal vehicles;
- The removal of the restriction on claiming mileage for those MHAs travelling outside the 60-kilometre commuting zone;
- The extension of the option of the \$200/month vehicle allowance to two more districts with low-density indices;
- Adjustments to the meal provisions to ensure MHAs can avail of healthy food choices, within reason, when occupying commercial accommodations without cooking facilities;
- The removal of the prohibition of expensing meals in eating establishments in the conduct of constituency business;
- Clarification that for events for which the MHA provides hospitality, the MHA may attend either in-person or virtually, providing that the virtual attendance is interactive;
- A provision to deal with travel in extraordinary circumstances; and
- A provision to equalize the district in which the Confederation Building resides.

Changes to the mileage and meal provisions will increase expenditures in the travel and living allowances. House-in-session and House-not-in-session expenditures are as incurred. However, the funding available under the intra- and extra-constituency allowance is district specific, based on the intra- and extra-constituency formula approved in June 2023. The new district amounts are calculated and included in Implementation Considerations.

The 2024 MCRC is satisfied that MHAs can have greater flexibility without compromising the accountability regime. The legislature can address issues with ambiguity in the **Members' Resources and Allowances Rules** and the restrictions on transferring funding between allowances by combining and simplifying the allowances that support office and constituency operations.

Recommendations

The 2024 MCRC makes the following recommendations:

- Reimburse all MHA mileage claims at the Treasury Board Secretariat designated rate, provided the designated rate is not greater than the basic reasonable per-kilometre allowance permitted by the Canada Revenue Agency (CRA), in which case the Canadian Revenue Agency basic rate should be used;
- Remove the restriction on claiming mileage within the 60-kilometre commuting zone by MHAs from outside this zone;
- Remove the prohibition on claiming parking expenses on MHAs' private vehicles when availing of rental vehicles under the intra- and extra-constituency allowance;
- Provide all districts in the capital region as well as the districts of Corner Brook, Harbour Grace - Port de Grave and Labrador West the option to avail of the \$200/month vehicle allowance;
- Provide authority to the Management Commission, in the **Members' Resources and Allowances Rules**, to designate in extraordinary circumstances that travel and living expenses may be considered an extra-constituency expense and charged against the intra- and extra-constituency allowance;
- Adopt the Treasury Board Secretariat meal rates as the per diem meal rates for MHAs;
- Continue to prorate the eligibility to claim meal expenses in accordance with the Treasury Board Secretariat policy;
- Continue the prohibition on claiming meal expenses, while on travel status, where meals expenses are included as part of another reimbursable item;
- Reimburse MHAs staying in commercial accommodations without cooking facilities in the capital region when travelling on House-in-session or House-not-in-session status the reasonable expenses of meals, exclusive of the purchase of alcoholic beverages, based on a combination of receipts and per diem charges, as appropriate, to a maximum of \$75 (HST included) daily;
- Allow MHAs on approved international travel to claim meal per diems as stipulated in the federal Treasury Board's Travel Directive without seeking further approval;
- Provide for MHAs on travel status outside the province to claim a combination of receipted meal purchases and per diems, as appropriate, to a maximum of \$100 (Canadian HST included) per day;
- Eliminate the existing office operations allowance, constituency allowance and office-start-up allowance;
- Establish a new office and constituency operations allowance in accordance with the following:
 - a) Provide a funding allocation of \$15,000 (HST included), consisting of the \$12,000 (HST included) from the office operations allowance and the \$3,000 (HST included) from the constituency allowance;

- b) State eligible expenses in broad categories, allowing purchasing of the normal goods and services in reasonable quantities generally required to operate the office and the constituency;
 - c) Continue the established prohibitions on donations, sponsorships, use of funding for political purposes and purchases of gifts, personal items, alcohol and cannabis, except for the prohibition on meals in eating establishments, which should be removed;
 - d) Add the expensing of meals in eating establishments for the purpose of conducting constituency-related meetings as an eligible expense;
 - e) Clarify that, for events for which the MHA provides hospitality, the MHA may attend either in-person or virtually, providing that the virtual attendance is interactive;
 - f) Require the Management Commission to issue a document providing guidance regarding normal office and constituency expenses and what constitutes reasonable quantities;
 - g) Continue the Management Commission’s authority to issue directives regarding the use of the allowance; and
 - h) Require the audit committee of the Management Commission to review the nature of purchases of this allowance on an annual basis and make recommendations to the Management Commission regarding MHAs’ use of the allowance; and
- Amend the **Members’ Resources and Allowances Rules** regarding constituency offices to be operated in government-owned/leased space, if available, to exclude Confederation Building Complex from government owned/leased space.



IMPLEMENTATION DATE

Recommendations

The 2024 MCRC makes the following recommendations:

- Bring into force the recommendations concerning salary, severance and allowances on April 1, 2024; and
- Apply the recommendations concerning pensions to all MHAs first elected on November 30, 2015.



IMPLEMENTATION CONSIDERATIONS

Acceptance of the 2024 MCRC recommendations will have financial, legislative, regulatory and policy implications, as summarized below.

Financial Implications

Recommendation	Financial Implication	Comments
Salary increase of \$24,643 for 40 MHAs	\$985,720	This would require an increase in the Legislature’s budget. See Appendix O for details.
Increases to the current addition-salary positions specified in section 12 of HOAAIAA	\$38,212	This would require an increase in the Legislature’s budget. See Appendix O for details.
Cost of increasing the number of additional-salary positions in section 12	\$88,000	This would require an increase in the Legislature’s budget. See Appendix O for details.
Provision for payment of committee and Management Commission per diems	\$17,500	This would require an increase in the Legislature’s budget. The basis for this estimate is provided in Appendix P .
Increase in liabilities for transitional allowance	\$612,400	Transitional allowance entitlement is calculated as of March 31, 2024. The increase reflected is based on the recommended policy at the recommended increased MHA annual salary. This would be an increase in the province’s liabilities. The basis for the increase in the transitional allowance liability is provided in Appendix Q .
\$2,500 for career counselling, training and education	\$25,000	Cost would be as incurred based on the number of MHAs departing with at least one General Assembly served. This would only need to be budgeted in a general election year. Incidental usage would be absorbed in existing appropriations. The estimate provided assumes a 25% attrition rate considering average MHA tenure is 8.4 years with approximately 40% of current MHAs having 8 or more years’ service.

Recommendation	Financial Implication	Comments
<p>Increase in the accrued pension benefit obligation to reinstate the benefits for MHAs first elected on November 30, 2015</p>	<p>\$1,472,000</p>	<p>This is a past service cost and would need to be expensed immediately by the Consolidated Fund Services upon implementation of the change.</p> <p>See Appendix N for the actuarial information supporting this cost.</p>
<p>Increase in the annual current service cost associated with the reinstatement of benefits for those first-elected on November 30, 2015</p>	<p>\$163,000</p>	<p>This is an increase in the current service cost associated with the improvement in benefits to be earned in the future compared to the current benefit structure.</p> <p>See Appendix N for the actuarial information supporting this cost.</p>
<p>Increase in the accrued benefit obligation as a result of the recommended increase in MHA annual salary to \$120,000 and the other increases in salary for additional-salary positions</p>	<p>\$875,000</p>	<p>This increase in the liability would be expensed by the Consolidated Fund Services over the following 5 years at \$175,000 per year.</p> <p>See Appendix N for the actuarial information supporting this cost.</p>
<p>Increase in the pension service cost as a result of the increased portion of the salaries offset by employee contributions.</p>	<p>\$55,000</p>	<p>This is the net increase in the current service cost of \$155,000 associated with the increased portions of the salaries offset by the MHAs' 9% contribution of the increases (~\$100,000).</p> <p>See Appendix N for the actuarial information supporting this cost.</p>
<p>Allowances</p>	<p>\$94,800</p>	<p>This would be an increase in expenditures but would not require an increase in the Legislature's budget based on the flex currently available in the existing budget for allowances. The basis of this estimate is contained in Appendix R.</p>

Legislative Implications

The **House of Assembly Accountability, Integrity and Administration Act** will require amendments to:

- Increase the MHA annual salary in section 11;
- Increase the salaries for the additional-salary positions specified in subsection 12(1);
- Add additional-salary positions to subsection 12(1);
- Provide for the payment of per diems for committee and Management Commission meetings when the House is not in session;
- Add the salary-adjustment formula;
- Add a provision to codify the current policy direction that, should an MHA hold more than one additional-salary position, a ministerial position or a committee membership at the same time, they are entitled to only one additional salary or per diem of the highest compensated position; and
- Change all references to severance to transitional allowance.

The **Members of the House of Assembly Retiring Allowances Act** will require an amendment to reinstate the pension benefit accrual rate and retirement eligibility under the MHA pension plan for MHAs first elected on November 30, 2015 as it was at the time of their election.

Regulatory Implications

The **Members' Resources and Allowances Rules** will require amendments to:

- Remove the restriction on an MHA claiming reimbursement for travel to and from the capital region within commuting distance of the Confederation Building Complex (the 60-kilometre rule);
- Replace the specified meal rates with a reference to the Treasury Board policy;
- Allow MHAs staying in temporary accommodations in the capital region while travelling under House-in-session or House-not-in-session to claim a combination of per diem meals and receipt meals to a maximum of \$75, HST included, per day;
- Extend the \$200/month vehicle allowance to the districts of Harbour Grace - Port de Grave and Labrador West;
- Authorize the Management Commission to direct extraordinary travel to be expensed as an extra-constituency expense against the intra- and extra- constituency allowance;
- Eliminate the current office allowance, constituency allowance and start-up allowance; and
- Create the office and constituency operations allowance and specify the eligible and prohibited items to be expensed against this allowance.

Schedule A of the **Members' Resources and Allowances Rules** requires amendments to reflect the increases to the intra- and extra-constituency allowance because of changes to the meal rates and mileage rates as specified in the following:

Category	Electoral District#	District Name	Density Index 2021	Current I&E (HST incl.)	Proposed I&E (HST incl.)
Category 1	31	St. John's Centre	1.8	\$5,600	\$5,700
	32	St. John's East - Quidi Vidi	1.8	\$5,600	\$5,700
	33	St. John's West	2.3	\$5,600	\$5,700
	38	Virginia Waters - Pleasantville	2.3	\$5,600	\$5,700
	24	Mount Pearl - Southlands	2.5	\$5,600	\$5,700
	25	Mount Pearl North	2.6	\$5,600	\$5,700
	10	Corner Brook	3	\$5,600	\$5,700
	40	Windsor Lake	3.1	\$5,600	\$5,700
	39	Waterford Valley	3.9	\$5,600	\$5,700
	9	Conception Bay South	4.6	\$5,600	\$5,700
	26	Mount Scio	4.6	\$5,600	\$5,700
	36	Topsail - Paradise	5.3	\$5,600	\$5,700
	21	Labrador West	5.4	\$5,600	\$5,700
	5	Cape St. Francis	8.5	\$5,600	\$5,700
17	Harbour Grace - Port de Grave	9.3	\$5,600	\$5,700	
Category 2	15	Gander	16.5	\$8,200	\$8,400
	16	Grand Falls-Windsor - Buchans	18.4	\$8,200	\$8,400
	34	Stephenville - Port au Port	20.8	\$8,200	\$8,400
	18	Harbour Main	22.5	\$8,200	\$8,400
	19	Humber - Bay of Islands	23.4	\$8,200	\$8,400
	11	Exploits	26.6	\$8,200	\$8,400
	6	Carbonear - Trinity - Bay de Verde	28.6	\$8,200	\$8,400

Category	Electoral District#	District Name	Density Index 2021	Current I&E (HST incl.)	Proposed I&E (HST incl.)
Category 3	12	Ferryland	33.1	\$12,200	\$13,300
	23	Lewisporte - Twillingate	48.1	\$12,200	\$13,300
	22	Lake Melville	48.3	\$12,200	\$13,300
	4	Burin - Grand Bank	48.6	\$12,200	\$13,300
	2	Bonavista	49.3	\$12,200	\$13,300
	27	Placentia - St. Mary's	51.1	\$12,200	\$13,300
	35	Terra Nova	51.4	\$12,200	\$13,300
	20	Humber - Gros Morne	69.3	\$12,200	\$13,300
	14	Fortune Bay - Cape La Hune	75.1	\$12,200	\$13,300
Category 4	1	Baie Verte - Green Bay	81.6	\$14,100	\$15,500
	30	St. George's - Humber	83.1	\$14,100	\$15,500
	13	Fogo Island - Cape Freels	88.9	\$14,100	\$15,500
	28	Placentia West - Bellevue	96.7	\$14,100	\$15,500
	29	St. Barbe - L'Anse aux Meadows	103.8	\$14,100	\$15,500
	3	Burgeo - La Poile	126.8	\$14,100	\$15,500
Category 5	8	Conception Bay East - Bell Island	9.8	\$8,400	\$8,900
	7	Cartwright - L'Anse au Clair	155.6	\$26,800	\$28,600
	37	Torngat Mountains	234.9	\$20,700	\$20,800
Total				\$391,700	\$415,300

Policy Implications

The following recommendations will require Management Commission direction to come into effect:

- The new transitional allowance provisions, including the provision of transitional support of \$2,500 for counselling, training, et cetera;
- The use of the designated kilometre rate under the Treasury Board Policy Automobile Reimbursement Rates for Using a Private Vehicle at Work for all private-vehicle usage;
- Removal of the prohibition on claiming parking expenses on an MHA's private vehicle when availing of a rental vehicle under the intra- and extra-constituency allowance;
- The use of the federal Treasury Board's Travel Directive rates for claiming meals when on approved international travel; and
- The ability to claim a combination of meal per diems and receipted meals to a maximum of \$100 (Canadian) per day, HST included, when travelling outside the province.



RECOMMENDATIONS

The 2024 MCRC makes the following recommendations:

Respecting salaries

1. Set the annual salary for an MHA, detailed in section 11 of the **House of Assembly Accountability, Integrity and Administration Act**, to \$120,000;
2. Set the salaries for the additional-salary positions, detailed in section 12 of the **House of Assembly Accountability, Integrity and Administration Act**, as follows:
 - a. speaker: \$55,000;
 - b. deputy speaker and chair of committees: \$25,000;
 - c. leader of the official opposition: \$55,000;
 - d. official opposition house leader: \$25,000;
 - e. leader of a third party: \$30,000;
 - f. third party house leader: \$15,000;
 - g. chairperson of the Public Accounts Committee: \$15,000; and
 - h. vice chairperson of the Public Accounts Committee: \$10,000;
3. Add the following additional-salary positions to section 12 of the **House of Assembly Accountability, Integrity and Administration Act**:
 - a. deputy chair of committees: \$15,000;
 - b. deputy opposition house leader: \$9,000;
 - c. government party whip: \$5,000
 - d. official opposition party whip: \$5,000;
 - e. third party whip (if caucus is five or more MHAs): \$5,000;
 - f. government caucus chair: \$5,000
 - g. official opposition caucus chair: \$5,000;
 - h. third party caucus chair (if caucus is five or more MHAs): \$5,000;
 - i. government house leader: \$25,000; and
 - j. deputy government house leader: \$9,000;
4. Amend the **House of Assembly Accountability, Integrity and Administration Act** to pay the chairpersons of committees of the House other than the Public Accounts Committee a \$200 per diem per meeting for meetings held when the House is not in session;
5. Amend the **House of Assembly Accountability, Integrity and Administration Act** to pay the members of the Management Commission and the committees of the House other than the vice chairperson of the Public Accounts Committee a \$150 per diem per meeting for meetings held when the House is not in session;
6. Amend the **House of Assembly Accountability, Integrity and Administration Act** to establish the maximum that can be received for meetings referenced in 4. and 5. above cannot exceed a combined total of \$5,000 in a fiscal year;
7. Amend the **House of Assembly Accountability, Integrity and Administration Act** that if an MHA holds an additional-salary position, a ministerial position or committee membership at the same time, they are entitled to only the additional salary or per diem of the highest compensated position;

Respecting salary-adjustment formula

8. Amend the **House of Assembly Accountability, Integrity and Administration Act**, commencing on July 1, 2025, to adjust the MHA annual salary, additional-salary positions and committee maximums by the percentage change in the consumer price index in Newfoundland and Labrador (all items) on December 31 of the previous calendar year to a maximum of the percentage increase provided in the executive pay plan for the current calendar year;

Respecting severance

9. Continue to pay MHA severance, but rename it “transitional allowance,” with the same provisions afforded to all MHAs regardless of when elected;
10. Calculate the transitional allowance using 100 per cent of the annual salary with a formula of one month for every year of service, prorated by number of days served for part-years of service, with a minimum of three months and a maximum of 12 months regardless of the reason for departure and with no three-year minimum, except if the seat has been declared vacated;
11. Pay the transitional allowance in no more than two installments in the fiscal year in which it is incurred;
12. Continue to recognize an MHA returning after a break in service as commencing their first General Assembly, regardless of how many Assemblies they have served previously;
13. Remove the linkage of the transitional allowance to pension or post-employment status;
14. Provide up to \$2,500, with receipts, for career counselling, training and education for up to one year after the resignation or defeat of an MHA who has served at least one General Assembly and whose seat has not been declared vacated;

Respecting pensions

15. Continue pension provisions for current MHAs elected after the November 30, 2015 general election;
16. Amend the **Members of the House of Assembly Retiring Allowances Act**, with retroactive effect, to provide the pension benefit accrual rate and retirement eligibility under the MHA pension plan as it existed on November 30, 2015 for all MHAs elected for the first time on November 30, 2015 to the pension benefit accrual rate and retirement eligibility that existed on November 30, 2015;

Respecting allowances

17. Reimburse all MHA mileage claims at the Treasury Board Secretariat designated rate, provided the designated rate is not greater than the basic reasonable per-kilometre allowance permitted by the Canada Revenue Agency (CRA), in which case the Canadian Revenue Agency basic rate should be used;
18. Remove the restriction on claiming mileage within the 60-kilometre commuting zone by MHAs from outside this zone;
19. Remove the prohibition on claiming parking expenses on MHAs' private vehicles when availing of rental vehicles under the intra- and extra-constituency allowance;
20. Providing all districts in the capital region as well as the districts of Corner Brook, Harbour Grace - Port de Grave and Labrador West the option to avail of the \$200/month vehicle allowance;
21. Provide authority to the Management Commission, in the **Members' Resources and Allowances Rules**, to designate in extraordinary circumstances that travel and living expenses may be considered an extra-constituency expense and charged against the intra- and extra-constituency allowance;
22. Adopt the Treasury Board Secretariat meal rates as the per diem meal rates for MHAs;
23. Continue to prorate the eligibility to claim meal expenses in accordance with the Treasury Board Secretariat policy;
24. Continue the prohibition on claiming meal expenses while on travel status, where meal expenses are included as part of another reimbursable item;
25. Reimburse MHAs staying in commercial accommodations without cooking facilities in the capital region when travelling on House-in-session or House-not-in-session status the reasonable expense of meals, exclusive of the purchase of alcoholic beverages, based on a combination of receipts and per diem charges, as appropriate, to a maximum of \$75 (HST included) daily;
26. Allow MHAs on approved international travel to claim meal per diems as stipulated in the federal Treasury Board's Travel Directive without seeking further approval;
27. Provide for MHAs on travel status outside the province to claim a combination of receipted meal purchases and per diems, as appropriate, to a maximum of \$100 (Canadian HST included) per day;
28. Eliminate the existing office operations allowance, constituency allowance and office-start-up allowance;
29. Establish a new office and constituency operations allowance in accordance with the following:
 - a. Provide a funding allocation of \$15,000 (HST included), consisting of the \$12,000 (HST included) from the office operations allowance and the \$3,000 (HST included) from the constituency allowance;

- b. State eligible expenses in broad categories, allowing purchasing of the normal goods and services in reasonable quantities generally required to operate the office and the constituency;
- c. Continue the established prohibitions on donations, sponsorships, use of funding for political purposes and purchases of gifts, personal items, alcohol and cannabis, except for the prohibition on meals in eating establishments, which should be removed;
- d. Add the expensing of meals in eating establishments for the purpose of conducting constituency-related meetings as an eligible expense;
- e. Clarify that, for events for which the MHA provides hospitality, the MHA may attend either in-person or virtually, providing that the virtual attendance is interactive;
- f. Require the Management Commission to issue a document providing guidance regarding normal office and constituency expenses and what constitutes reasonable quantities;
- g. Continue the Management Commission’s authority to issue directives regarding the use of the allowance; and
- h. Require the audit committee of the Management Commission to review the nature of purchases of this allowance on an annual basis and make recommendations to the Management Commission regarding MHAs’ use of the allowance;

Respecting other provisions

- 30. Amend the **Members’ Resources and Allowances Rules** respecting constituency offices to be operated in government-owned/leased space, if available, to exclude Confederation Building Complex from government-owned/leased space;

Respecting commencement

- 31. Bring into force the recommendations concerning salary, severance and allowances on April 1, 2024; and
- 32. Apply the recommendations concerning pensions to all MHAs first elected on November 30, 2015.



CLOSING REMARKS

How do we value democracy?

By implementing the will of the people; by electing MHAs to advocate for and action the will of the people fairly, impartially and with an eye to public good.

In remunerating MHAs, we must reflect on whether fair and reasonable compensation achieves these objectives – not to enrich individuals, but to enrich our society. Achieving this balance is a difficult exercise.

The 2024 MCRC believes compensation should recognize the importance of the work MHAs undertake, and the demands and challenges imposed on them. For the collective good, we need a legislature that reflects diversity, equality and inclusion of all Newfoundlanders and Labradorians, a legislature that reflects our society by removing barriers.

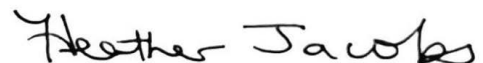
At the same time, we must be cognizant of the realities of the public purse. The 2024 MCRC believes that salaries and benefits must be adjusted regularly to remain relevant to current employment and economic conditions, and to remain attractive to both incumbent and prospective MHAs.

The 2024 MCRC recommendations remedy disparities that have found their way into the MHA compensation regime since 2007. The recommendations propose fair salaries that recognize the important roles and responsibilities of MHAs, and a salary-adjustment formula that is fair to MHAs while also respecting the public treasury. The recommendations rectify issues with pensions and severance, and adjust the allowances to enhance relevancy in supporting MHAs, while respecting the accountability regime.

The work of legislators is often met with criticism and disparagement, and any increases in compensation for legislators can become controversial public discourse. Furthermore, MHAs are in the awkward position of having to vote on salary and benefit adjustments from both a perceived conflict of interest and a political reality.

The 2024 MCRC recognizes its recommendations will not be received favourably by all. However, the people of the province deserve representation from the best qualified candidates with the skills and experience to help them be effective legislators. The diverse population of Newfoundland and Labrador also deserves representation in our legislature, and compensation should not be a barrier for people from a wide variety of backgrounds who wish to serve the public good. To attract and retain these people, the MHA compensation and allowance regime must demonstrate that the role and function of an MHA is valued. Our democracy depends on it.

In total, the value our society places on democracy must be reflected in the value attributed to those who choose to represent us. We must strive for nothing less than excellence.



Heather Michele Jacobs, KC



APPENDICES

APPENDIX A

Resolution of the House of Assembly

The following order of reference establishing the MCRC was passed by resolution of the House of Assembly on November 2, 2023:

WHEREAS subsection 16(1) of the **House of Assembly Accountability, Integrity and Administration Act** requires that an independent Committee called the Members' Compensation Review Committee, be appointed at least once during each General Assembly; and

WHEREAS in accordance with subsection 16(2) of the **House of Assembly Accountability, Integrity and Administration Act**, the Speaker has consulted with the Government House Leader, the Opposition House Leader and the Third Party on the appointment to the said Committee; and

WHEREAS the Government House Leader, the Opposition House Leader and Third Party have agreed with the introduction of this resolution; and

WHEREAS under subsection 16(4) of the **House of Assembly Accountability, Integrity and Administration Act**, a Members' Compensation Review Committee appointed under this resolution must report to the Speaker on its recommendations within 120 days of its appointment;

THEREFORE BE IT RESOLVED

(1) That Heather Jacobs, KC, is appointed to the Members' Compensation Review Committee with the appointment to be effective on December 1, 2023;

(2) That in accordance with section 16 of the **House of Assembly Accountability, Integrity and Administration Act**, the Members' Compensation Review Committee shall inquire into and prepare a report respecting the salaries, allowances, severance and pensions to be paid to the Members of the House of Assembly; and

(3) That in particular, the Committee shall:

(a) recommend the annual salary for Members of the House of Assembly;

(b) review and make recommendations regarding additional salary provisions for positions identified in subsection 12(1) of the **House of Assembly Accountability, Integrity and Administration Act**;

(c) recommend a formula or means for making annual salary adjustments for salary amounts referenced in clauses (a) and (b) above;

(d) review and make any recommendations regarding the current severance pay policy for Members of the House of Assembly;

(e) review the current provisions for Members pensions and provide any recommendations for adjustments;

AND THAT as part of its inquiries, the Committee may consult with appropriate persons who can assist the Committee with respect to its required duties and shall consult with the current Members of the House of Assembly and House of Assembly Service regarding any issues identified in the current regime, as well as any administrative, legislative or other impacts of proposed recommendations;

AND THAT the House of Assembly shall conclude any contractual arrangements required to carry out the intent of this resolution;

AND THAT the Members' Compensation Review Committee deliver its report to the Speaker on or before April 1, 2024.

APPENDIX B

Review Process

The 2024 MCRC:

1. Met with House of Assembly staff and the Pensions Division of the Treasury Board Secretariat;
2. Completed training modules on allowances;
3. Reviewed Rebuilding Confidence¹⁸⁷;
4. Reviewed the **House of Assembly Accountability, Integrity and Administration Act** and the **Members' Resources and Allowances Rules**¹⁸⁸;
5. Reviewed the **Members of the House of Assembly Retiring Allowances Act**¹⁸⁹;
6. Reviewed the Severance Policy for Members of the House of Assembly, December 2017 (attached as [Appendix M](#));
7. Reviewed the previous MCRC reports of October 2009¹⁹⁰, November 2012¹⁹¹ and November 2016¹⁹²;
8. Reviewed the 2023 Budget and the midyear Economic Update;
9. Reviewed reports regarding compensation and benefits provided to members of legislative assemblies other Canadian jurisdictions;
10. Reviewed the sunshine list;
11. Obtained and analyzed jurisdictional information regarding compensation and benefits provided to members of Canadian legislative assemblies;
12. Reviewed the Public Accounts and other financial reports;
13. Reviewed the Hansard of Management Commission and House debates regarding MHA compensation and benefits;
14. Reviewed the “**Members of the House of Assembly Retiring Allowances Act - Registered Pension Plan Report on the Actuarial Valuation**” prepared by Eckler Ltd. on December 31, 2021 provided by the Treasury Board Secretariat;
15. Reviewed the Pension Investment Committee Province of Newfoundland and Labrador Pooled Pension Fund 2022 Annual Report¹⁹³;

¹⁸⁷ Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters, Hon. J. Derek Green, May 2007.

¹⁸⁸ **HOAAIAA**, SNL2007, c.H-10.1 and **Members' Resources and Allowances Rules**, SNL2007, cH-10.1 Schedule, Online: [CNLR PART II RECORDS AND DISCLOSURE \(assembly.nl.ca\)](#).

¹⁸⁹ **Members of the House of Assembly Retiring Allowances Act**, SNL2005, c.M-6.1.

¹⁹⁰ Review of: MHA Salaries, Allowances, Severance Payments and Pensions, MCRC, October 2009.

¹⁹¹ MHA Salaries, Allowances, Severance Payments and Pensions Review, MCRC, November 2012.

¹⁹² Review of MHA Salaries, Allowances, Pensions & Severance, MCRC, November 2016.

¹⁹³ Online: [PICAnnualReport2022.pdf \(gov.nl.ca\)](#).

16. Reviewed the “Public Sector Accounting Board Financial Reporting Letter, Province of Newfoundland and Labrador Pooled Pension Fund March 31, 2023” prepared by Eckler Ltd. provided by the Treasury Board Secretariat¹⁹⁴;
17. Analyzed allowances against actual expenditures since 2012, with a particular focus on expenditures since 2016;
18. Encouraged public participation by creating a website (attached as [Appendix S](#)) to allow input from the public from all across the province;
19. Established a toll-free number and an email account for easy contact;
20. Held a virtual session during the week of January 22, 2024 for input. Notice of the session was placed on the 2024 MCRC website and news releases (attached as [Appendix T](#) and [Appendix U](#)) were issued¹⁹⁵;
21. Prepared and issued news releases (attached as [Appendix T](#) and [Appendix U](#)) and placed notice on the 2024 MCRC website seeking written submissions from the public and/or organizations, who were encouraged to forward submissions by January 19, 2024 (an extension was provided to January 26, 2024 to allow for more time);
22. Used social media, in particular Facebook and X, to notify the public and organizations about virtual sessions and written submissions;
23. Informed the public and organizations that input received would be summarized in the report without identifying sources;
24. Sent a letter to all MHAs on December 13, 2023 requesting meetings or comments by January 26, 2024 (attached as [Appendix V](#)), and received input from 24 of 40 MHAs; and
25. Informed MHAs, like the public, that input would be summarized in the report without identifying sources.

¹⁹⁴ Letter on file with the Treasury Board Secretariat.

¹⁹⁵ The virtual meeting was not well attended.

APPENDIX C

Assistant Deputy Minister & Deputy Minister Salaries

Assistant Deputy Ministers Salaries in 2023

Pay Level	# of positions	Average Salary
EP-13	1	\$165,311
EP-15	3	\$155,152
EP-17	2	\$151,579
EP-20	14	\$146,350
EP-21	1	\$144,911
EP-22	18	\$141,509
EP-23	10	\$142,124
EP-24	1	\$144,315
EP-25	3	\$132,528
EP-26	1	\$135,261
EP-28	4	\$133,210
EP-29	1	\$135,261
EP-30	1	\$133,210
EP-60	1	\$142,217

Deputy Minister Salaries in 2023

Pay Level	# of positions	Average Salary
EP-01	1	\$198,304
EP-02	3	\$186,770
EP-03	4	\$186,782
EP-04	3	\$185,285
EP-06	7	\$178,025
EP-07	2	\$178,330
EP-10	2	\$170,662
EP-12	4	\$166,824
EP-46	1	\$164,776
EP-47	1	\$137,312
EP-49	1	\$162,280
EP-52	2	\$164,014

APPENDIX D

MHA Annual Salary Using Formulas

Formula Originally Legislated in 2007 HOAAIAA

Date of New Annual Salary	Annual Salary	Executive Pay Plan Increase As Supplied by Treasury Board Secretariat
June 14, 2007	\$92,580	
July 1, 2008	\$95,327	3% (July 1, 2007)
July 1, 2009	\$102,985	8% (July 1, 2008)
July 1, 2010	\$107,105	4% (July 1, 2009)
July 1, 2011	\$111,390	4% (July 1, 2010)
July 1, 2012	\$115,845	4% (July 1, 2011)
July 1, 2013	\$115,845	0% (July 1, 2012)
July 1, 2014	\$115,845	0% (July 1, 2013)
July 1, 2015	\$118,162	2% (July 1, 2014)
July 1, 2016	\$121,707	3% (July 1, 2015)
July 1, 2017	\$121,707	0% (July 1, 2016)
July 1, 2018	\$121,707	0% (July 1, 2017)
July 1, 2019	\$121,707	0% (July 1, 2018)
July 1, 2020	\$121,707	0% (July 1, 2019)
July 1, 2021	\$124,141	2% (July 1, 2020)
July 1, 2022	\$125,383	1% (July 1, 2021)
July 1, 2023	\$129,169	1% (January 1, 2022) and 2% (July 1, 2022)
July 1, 2024	\$131,752	2% (July 1, 2023)
July 1, 2025	\$134,388	2% (July 1, 2024)
July 1, 2026	\$137,075	2% (July 1, 2025)

Formula Legislated 2008-2013, CPI Formula 2013-2015 & Average of Collective Agreements 2021

Date of New Annual Salary	Annual Salary	Formula
June 14, 2007	\$92,580	
July 1, 2008	\$95,357	3% EPP increase on July 1, 2007
July 1, 2009	\$102,895	8% EPP increase on July 1, 2008
July 1, 2010	\$107,105	4% EPP increase on July 1, 2009
July 1, 2011	\$111,390	4% EPP increase on July 1, 2010
July 1, 2012	\$115,845	4% EPP increase on July 1, 2011
July 1, 2013	\$115,845	0% EPP increase on July 1, 2012
December 31, 2013	\$117,582	2012 MCRC - increase in December 2013, 2014 and 2015 linked to the CPI to a maximum of 1.5%. 2013 CPI was 1.7%.
December 31, 2014	\$119,346	2012 MCRC – CPI was 1.9%
December 31, 2015	\$119,943	2012 MCRC – CPI was 0.5%
November 1, 2016	\$119,943	2016 MCRC - starting with the next public sector union negotiations salaries be adjusted by the average of the general service contract, health professional contract, registered nurses' union contract and the RNC association contract. The adjustment to occur 30 days after the last agreement.
June 4, 2021	\$126,828	The average of the agreements was 5.74% and the last one was ratified on May 4, 2021.

APPENDIX E

Public Opinion on MHA Annual Salary

Public opinion on the MHA annual salary can be summarized as follows:

- The work of an MHA is undervalued, and general public opinion is MHAs are paid too much;
- The MHA base salary is not enough, given the scope and responsibilities of the job, and the compensation should increase to \$120,000, akin to private sector salaries for similar skill sets and duties;
- MHAs should have their salary doubled to attract quality candidates;
- The MHA base salary should be \$200,000;
- The MHA base salary should be based on the NAPE increase plus 20 per cent;
- With fair compensation, there would be less turnover amongst MHAs;
- MHAs are responsible for the \$10-billion budget of the province; if people go to the hospital, do they wish to be treated by doctors and nurses earning minimum wage?;
- The current salary attracts retired people with generational wealth and not grassroots people;
- The salary is a barrier to diversification. For example, a young person must ask themselves if they can survive on \$95,000, i.e., support their family and pay a mortgage;
- Many individuals take a pay cut to get into politics;
- The public disrespects MHAs and believe when the House is not sitting, MHAs are not working, which is untrue. MHAs work 24/7, travelling to their districts, attending community events and communicating with constituents;
- The public needs to be educated on what an MHA does. This stereotype should not be perpetuated. MHAs do not get into politics for the money; and
- MHAs are bullied and harassed everyday by the public, particularly since the advent of social media.

APPENDIX F

MHA Views on Annual Salary

MHAs do not believe that the annual salary is fair and reasonable, as demonstrated by the below comments:

- There should be a salary increase to make it an honourable profession;
- The compensation is unfair for the time commitment, responsibility and public expectation;
- MHAs do not feel valued at the current salary;
- The salaries should be increased for the future recruitment of MHAs;
- Unless an MHA had a professional career prior to running, or already had retirement investments, they won't accumulate security;
- The job has been set up to attract an older population of MHAs;
- The salary has a chilling effect;
- The salary does not attract people so that the position of MHA becomes a career;
- There should be a salary increase to ensure diversity, as the inadequate salary is a barrier. The House of Assembly fails to reflect the make-up of society in general: there is disproportionate representation of women, single parents, Indigenous people, persons with disabilities and others in the general population. Because many in these groups face distinct financial challenges, the continuing erosion in real terms of fair compensation makes it less and less likely that the House of Assembly in the future will reflect the society it is intended to serve, which further erodes our democracy. It is not something to be proud of or to leave unaddressed;
- Many bureaucrats make more than MHAs;
- MHAs do not make the sunshine list;
- This is the only job in the country that has not had an increase since 2009;
- No one should go 15 years without a salary increase. It is not healthy when people become poorer and poorer because their income fails to keep pace with rising costs. As inflation has steadily increased during that period, along with wages, salaries and income support for those who are not MHAs, political service has become less and less affordable and more and more the way it used to be: the private reserve of the independently wealthy, who can afford to dabble in the affairs of state without having to rely on an MHA's income. That slide backwards is not healthy for democracy;
- Things have been sliding backwards since Rebuilding Confidence in 2007, in terms of compensation and benefits; and
- MHAs' compensation should be increased to reflect the level set 17 years ago, when compensation was reformed. If that level of compensation was deemed to be fair and reasonable 17 years ago, then a similar level of compensation – adjusted to account for the rate of inflation and the erosion of the dollar – should be equally fair and reasonable now. A steady 17-year decline in the value of that compensation can only be seen as a steady slide away from what is fair and reasonable.

Some MHAs also offered the following perspectives:

- Social media, including Facebook, Instagram and X, have changed the role of an MHA. Public office today is completely different than it has been historically;
- Technology has increased expectations and demands, and thereby increased the amount of time it takes to do the job;
- MHAs are more at risk now because of social media;
- There is increased public scrutiny on both MHAs and their families;
- It is difficult for family members to deal with social media;
- There is no privacy in your family life;
- There is no work-life balance, which can cause issues at home;
- The work hours are outrageous, indicating they work more than 60 hours a week. In 18 days in December, one MHA attended 22 events. Another indicated they had three days off in 2023. Another MHA attended three fire-hall balls in one night. Many feel they are elected by the people, and if they want to be re-elected, they must always be responsive and available;
- Working 24/7 is real for MHAs. Constituents have approximately 20 ways to access many MHAs on a 24/7 basis (i.e., home landline, cells, office, voicemail, texts, Facebook, Facebook messenger, Facebook audio, Instagram and X). All these access points must be monitored and responded to immediately;
- One MHA indicated that, on average, they receive 140 calls a week;
- The complexity, demands and expectations of constituents have increased;
- When in a grocery store, it can take four hours for MHAs to get their groceries, and it can take an hour to get a carton of milk at a corner store;
- The public generally believe that MHAs are overpaid and underworked;
- Public perception of MHAs is negative. For example, when the House is not in session, some members of the public believe MHAs are on holiday. Several MHAs stated they are busier when the House is not in session than when it is in session;
- Salary increases should be retroactive to coincide with the union increase of 2021, as recommended by the 2016 MCRC; and
- Salary increases recommended by an MCRC should be voted on by current MHAs and should come into effect in the next General Assembly, i.e., following a general election. In this regard, the public votes on the increase. This avoids the accusation of conflict of interest and of being self-serving.

APPENDIX G

Budget 2023 Reference Material

Budget 2023¹⁹⁶ stated (emphasis added):

The Newfoundland and Labrador **economy performed well** in 2022, with most **economic indicators showing moderate-to-strong growth**. ... Provincial real GDP increased by 0.3 per cent in 2022....

The Consumer Price Index (CPI) for 'All-items' **rose** 6.4 per cent in Newfoundland and Labrador in 2022 ...

At the national level, the CPI increased by 6.8 per cent in 2022, and by 5.7 per cent excluding energy. Among provinces, both Newfoundland and Labrador and Alberta had the **lowest inflation** rate in Canada in 2022 at 6.4 per cent. ...

Low levels of unemployment, combined with high inflation, resulted in higher wages in the province in 2022. Average weekly earnings in the province were \$1,149.92 in 2022. This represented an **increase** of 4.7 per cent over 2021, and was **the second highest growth rate** among provinces, behind only New Brunswick (7.7 per cent). Average weekly earnings for Canada were \$1,166.36 in 2022, up 3.2 per cent from 2021. ...

Total labour compensation **increased** 8.3 per cent in 2022 compared to 2021, reflecting **higher wages and increased employment**. ...

Newfoundland and Labrador's population stood at 525,972 as of July 1, 2022, an **increase** of 5,520 persons, or 1.1 per cent, compared to July 1, 2021. ...

According to the most recent estimate from Statistics Canada, Newfoundland and Labrador's population was 528,818 as of October 1, 2022. This was an **increase** of 2,846 persons, or 0.5 per cent, from the previous quarter (July 1, 2022). ...

Newfoundland and Labrador's real GDP is forecast to **increase** by 2.8 per cent to \$34 billion in 2023, primarily due to increased mineral production and investment growth. Most other economic indicators are also expected to show **growth**, though at a slower pace than 2022. ...

For the year as a whole, employment is forecast to **increase** by 2.2 per cent in 2023. Employment gains are anticipated to **lower** the unemployment rate from 11.3 per cent in 2022 to 10.1 per cent in 2023. ...

¹⁹⁶ Online: [Budget 2023: The Economy \(gov.nl.ca\)](https://www.gov.nl.ca/budget2023/), pp. 12, 14, 15, 17-20.

Household income is expected to **increase** by 4.3 per cent in 2023. ...

Continuing the **strong growth** seen in 2022, the province's population is projected to **rise** by one per cent with net natural losses being offset by significant net in-migration. ...

There are reasons for **continued optimism** in the longer term, with growth opportunities in the oil and gas, mining, and aquaculture industries forecast to increase economic activity. ...

There is **significant interest** in developing the province's wind resources to produce green hydrogen. ...

With abundant wind resources, Newfoundland and Labrador is **well-positioned** to meet the clean energy needs of Canada and other countries, such as Germany. ...

The Government of Newfoundland and Labrador also continues to work proactively with the technology and film and television sectors to create more opportunities and **accelerate growth** within those industries.

The Budget 2023 news release¹⁹⁷ stated with respect to fiscal capacity (emphasis added):

The projected deficit for 2023-24 is \$160 million, with a **balanced budget** expected in 2024-25, two years ahead of schedule. Other highlights include:

- Projected revenues for 2023-24 are \$9.7 billion.
- Projected expenses for 2023-24 are \$9.8 billion.
- Increases in provincial spending total \$108 million. This is **lower** than the rate of inflation.
- Of the \$9.8 billion in expenses, \$471 million is 100 per cent federally funded.
- Net debt is expected to be \$16.2 billion in the 2023-24 fiscal year – a **decrease** of \$0.9 billion from the Budget 2022-23 forecast of \$17.1 billion.
- The projected borrowing requirement for 2023-24 is \$1.5 billion.
- Current oil price projections are \$US86 per barrel, while the Canada-United States exchange rate is forecast at 75.7 cents.
- The Debt to Gross Domestic Product Ratio is approximately 37 per cent. In 2020, it **was over** 50 per cent.

The 2023 Economic Update¹⁹⁸ stated (emphasis added):

The Newfoundland and Labrador economy has largely performed as expected so far in 2023, with most year-to-date indicators **showing growth** and either **meeting or exceeding** Budget 2023 forecast values. Labour markets in particular have performed well, with **positive employment growth** and a **historically low** unemployment rate. Consumer spending in the province has also been **solid**, buoyed by **higher** wages and another **successful** tourism season. Furthermore, **population growth continued** for the

¹⁹⁷ Online: [Budget 2023 Prioritizes the Health of Newfoundland and Labrador - News Releases \(gov.nl.ca\)](https://www.gov.nl.ca/news-releases/budget-2023-prioritizes-the-health-of-newfoundland-and-labrador/).

¹⁹⁸ Online: [2023-Economic-Update.pdf \(gov.nl.ca\)](https://www.gov.nl.ca/economic-update/2023-economic-update.pdf), pp. 2-6.

tenth straight quarter. The Bank of Canada's interest rate hikes throughout the year have **moderated** inflation in the province; however, this has caused **challenges** in interest rate-sensitive sectors of the economy, such as housing investment. ...

At the time of Budget 2023, real GDP was forecast to increase by 2.8 per cent in 2023. However, given the year-to-date performance of some key exports, particularly oil, real GDP growth has been **revised downward** to -0.7 per cent. Lower-than-expected oil production so far this year has been mainly due to the delayed return to production of the Terra Nova FPSO. Oil production levels and real GDP are both **expected to rebound** in 2024, as Terra Nova returns to full production. ...

Entering 2023, inflation was one of the **main concerns** facing not only the provincial economy, but the national and global economies as well. Major central banks began tightening measures in 2022, increasing interest rates in an effort to curtail high inflation rates. This continued through the first half of 2023, with the Bank of Canada hiking its overnight rate in July for the tenth time since March 2022, before holding steady in September and October. In Newfoundland and Labrador, the effects of higher interest rates, in combination with lower energy prices and diminishing supply chain disruptions, **slowly moderated inflation** throughout the first half of the year. According to the Consumer Price Index (CPI), year-over-year inflation rates **trended downward** from the peak of 8.2 per cent in June 2022. The inflation rate **fell** as low as 1.7 per cent in May and June 2023, before **increasing** again in each of the following three months to 4.1 per cent in September. Over the entire January to September 2023 period, the province's inflation rate averaged 3.5 per cent, compared to 6.5 per cent over the same period last year. **Lower** energy prices and a **decline** in goods inflation have been the main contributor to **lower** inflation in the province this year; however, the labour market remains **tight** and wage **pressures** persist. Price **increases** for essentials such as food and shelter also remain elevated, increasing 8.5 per cent and 4.9 per cent, respectively, on a year-to-date basis through September. Compared to the rest of Canada, at 3.5 per cent, Newfoundland and Labrador's year-to-date inflation rate was **tied** with Alberta for the **second lowest** among provinces, behind Prince Edward Island (3.4 per cent). The year-to-date inflation rate for Canada as a whole averaged 4.1 per cent. ...

Population **growth** has occurred in the province in each of the last 10 quarters, and has been particularly **strong** over the last five quarters. The population of Newfoundland and Labrador stood at 538,605 as of July 1, 2023, an **increase** of 2,314 persons, or 0.4 per cent, from April 1, 2023. ...

Despite the **downward** revision to real GDP and housing starts, most other economic indicators for the province are expected to **remain on track to meet or exceed** the Budget 2023 forecast. ... Inflation is expected to average 3.2 per cent, **down** from a historically high annual rate of 6.4 per cent in 2022. Additionally, given the **strong** population growth in the province so far in 2023, annual population **growth** has been revised **upward** to 1.3 per cent.

The 2023 News Release for the Mid-year Fiscal and Economic Update¹⁹⁹ stated (emphasis added):

The projected deficit for 2023-24 is \$154 million, **slightly improved** as compared to the \$160 million projected at Budget 2023. Other highlights include:

- Revenue is projected to be **higher** than forecast by \$204 million for the fiscal year ending March 31, 2024, largely due to offshore exploration forfeitures;
- **Most expenses remain the same** as projected at budget, with a few exceptions including **increases** negotiated in collective bargaining agreements and debt expenses due to **rising** interest rates; and
- The average price of oil for 2023-24 has been **revised** to US\$85 from the Budget 2023 projection of US\$86. The Canada to United States exchange rate has been **adjusted** to 74.3 cents from the Budget 2023 forecast of 75.7 cents.

Looking forward, most economic indicators for the province are expected to **remain on track to meet or exceed** the Budget 2023 forecast, with **opportunities** in oil and gas, mining, aquaculture, wind-hydrogen, technology and the film and television sectors:

- For the year as a whole, employment is forecast to **increase** by 2.2 per cent, while the unemployment rate is forecast to **decrease** by 1.2 percentage points to average 10.1 per cent. If realized, this would be the **lowest** annual unemployment rate since consistent records began in 1976;
- Consumer spending is expected to **remain strong**, with the value of retail sales forecast to increase by 4.0 per cent; and
- Population **growth continued** for the tenth straight quarter. On an annual basis, the province's population **increased** by 7,022 persons, or 1.3 per cent, from July 1, 2022 to July 1, 2023, the **largest annual increase** since 1972.

¹⁹⁹ Online: [Stable Fiscal and Economic Outlook for Newfoundland and Labrador - News Releases \(gov.nl.ca\)](https://www.gov.nl.ca/news-releases/).

APPENDIX H

History of Additional Positions & Salaries 2007 to Date

HOAAIAA 2007 positions	Salary 2007	Salary July 1, 2008 (3% increase)	Salary July 1, 2009 (8% increase)	Salary December 22, 2009 (8% reduction)	HOAAIAA 2017 positions	Salary in 2017 to date
Speaker	\$52,497	\$54,072	\$58,398	\$54,072	Speaker	\$48,665
Deputy speaker and chair of committees	\$26,246	\$27,033	\$29,196	\$27,033	Deputy speaker and chair of committees	\$12,166
Deputy chair of committees	\$13,123	\$13,517	\$14,598	\$13,517	Repealed	-
Leader of the opposition	\$52,497	\$54,072	\$58,398	\$54,072	Leader of the official opposition	\$48,665
Opposition house leader	\$26,246	\$27,033	\$29,196	\$27,033	Official opposition house leader	\$24,330
Deputy opposition house leader	\$17,919	\$18,457	\$19,934	\$18,457	Repealed	-
Leader of a recognized third party	\$18,367	\$18,918	\$20,431	\$18,918	Leader of a third party	\$24,330
					Third party house leader	\$12,166

HOAAIAA 2007 positions	Salary 2007	Salary July 1, 2008 (3% increase)	Salary July 1, 2009 (8% increase)	Salary December 22, 2009 (8% reduction)	HOAAIAA 2017 positions	Salary in 2017 to date
Party whip	\$13,123	\$13,517	\$14,598	\$13,517	Repealed	-
Caucus chairperson	\$13,123	\$13,517	\$14,598	\$13,517	Repealed	-
Chairperson - Public Accounts Committee	\$13,123	\$13,517	\$14,598	\$13,517	Chairperson of the Public Accounts Committee	\$12,166
Vice chairperson - Public Accounts Committee	\$10,032	\$10,333	\$11,160	\$10,333	Vice chairperson of the Public Accounts Committee	\$9,300

APPENDIX I

Additional-Salary Positions | Roles & Responsibilities

Speaker²⁰⁰

The speaker is the key figure in the House of Assembly, a position that is open to all MHAs, except for party leaders and Cabinet ministers. The speaker is elected in a secret ballot by other MHAs immediately following each general election or when a vacancy occurs. The speaker must maintain order in the House in an impartial manner and serve all MHAs equally. As the person of highest authority in the House, the speaker sits on the chair situated at the end of the chamber.

The responsibilities of the speaker can be divided into four categories:

1. Presiding officer

The speaker is responsible for ensuring that the rules of the House are followed. The Standing Orders of the House – the rules of parliamentary procedure – are enforced by the speaker to ensure that all MHAs can participate in the debate.

2. Administrator

The speaker is responsible for the internal administration of the House of Assembly, overseeing the day-to-day operations of the various divisions and offices. The speaker acts as the chair of the House of Assembly Management Commission, on which both government and opposition caucuses are represented.

3. Official representative

The speaker represents the House of Assembly on all ceremonial and formal occasions, including dealings with the Crown and with other parliaments and legislative assemblies.

4. Member of the House of Assembly

While no longer a member of a caucus, the speaker continues to represent a district within the province as an MHA. The speaker must remain impartial and avoid taking public positions on politically controversial matters.

Deputy Speaker and Chair of Committees²⁰¹

The Standing Orders provide that a deputy speaker and chair of committees be appointed at the commencement of every General Assembly, immediately following the election of the speaker. The deputy speaker is vested with all the powers of the speaker when the speaker is absent from the House,

²⁰⁰ Online: [House of Assembly - NL - Role of the Speaker.](#)

²⁰¹ Online: [Members' Parliamentary Guide \(assembly.nl.ca\)](#), p. 9.

presides over the proceedings of the House and is responsible for chairing Committees of the Whole House. The deputy speaker may attend meetings of the House of Assembly Management Commission as a non-voting member, but may not participate in debate unless acting as the chair, which occurs in the absence of the speaker.

Leader of the Official Opposition²⁰²

The leader of the official opposition is a member of the party that finished second in the last election. Their role is to question the government on its actions and policies and help keep government accountable to Newfoundlanders and Labradorians. The leader of the official opposition often opposes the positions of both the government and the other opposition parties and proposes alternatives.

The leader of the official opposition meets with MHAs from their party regularly to decide on strategies and to confirm positions on the issues of the day. As the main spokesperson for the party, the leader of the official opposition must be prepared for lively discussions, debates and criticism during debates and question period.

The leader of the official opposition appoints one MHA per department to act as a critic of the department's decisions. These MHAS make up shadow cabinet.

Official Opposition House Leader²⁰³

The official opposition house leader is appointed by their party caucus to manage the workload of the House of Assembly. The house leaders meet regularly to consult one another on the sequence and transaction of parliamentary business. This practice has evolved over time to ensure that the business of the House of Assembly is conducted in an organized manner.

The government house leader, the official opposition house leader, and the third party house leader are responsible for the speaking order of their parties' MHAs during question period and other debates.

Leader of the Third Party²⁰⁴

The leader of a third party did not finish in first or second place during the last election. Like other opposition leaders, the leader of the third party questions the government on its actions and policies, which helps to keep it accountable to Newfoundlanders and Labradorians. The leader of the third party often opposes the positions of the government and the other opposition parties and proposes alternatives.

The leader of the third party meets with other MHAs from their party regularly to decide on strategies and to confirm positions on the issues of the day. As the main spokesperson for the party, the leader of the third party must be prepared for lively discussions, debates and criticism during debates and question period.

²⁰² Online: [Leader of the Opposition in the House of Commons — Model Parliament Unit \(lop.parl.ca\)](https://lop.parl.ca).

²⁰³ Online: [House Leaders \(leg.bc.ca\)](https://leg.bc.ca).

²⁰⁴ Online: [Leader of a Third Party in the House of Commons — Model Parliament Unit \(lop.parl.ca\)](https://lop.parl.ca).

Third Party House Leader²⁰⁵

The third party house leader is appointed by their party caucus to manage the workload of the House of Assembly. The house leaders meet regularly to consult one another on the sequence and transaction of parliamentary business. This practice has evolved over time to ensure that the business of the House of Assembly is conducted in an organized manner.

The government house leader, the official opposition house leader and the third party house leader are responsible for the speaking order of their parties' MHAs during question period and other debates.

Chairperson of the Public Accounts Committee²⁰⁶

The chair of the Public Accounts Committee is traditionally an opposition MHA. The committee reviews the annual report of the Auditor General, selecting matters from the report on which to hold hearings. This Committee also reviews the audited accounts of the House, the clerk's role as accounting officer of the House and inquires into other matters it may decide on relating to the Public Accounts of the Province.

Vice Chairperson of the Public Accounts Committee²⁰⁷

The vice chairperson of the Public Accounts Committee serves as a replacement, presiding over meetings when the chair is unable to attend.

Deputy Chair of Committees²⁰⁸

The deputy chair of committees supports the speaker and the deputy speaker as a presiding officer. In the absence of the deputy speaker, the deputy chair of committees may take the chair when the House sits as a Committee of the Whole.

Deputy Opposition House Leader²⁰⁹

The deputy opposition house leader would replace the opposition house leader when the latter is unavoidably absent.

Party Whip²¹⁰

A whip is an MHA charged with keeping other MHAs of the same caucus informed about House business and ensuring their presence in the House, especially when a vote is anticipated. MHAs are expected to advise their whip if they must be absent from the House.

²⁰⁵ Online: [House Leaders \(leg.bc.ca\)](http://leg.bc.ca).

²⁰⁶ Online: [House of Assembly - NL - Public Accounts Committee \(assembly.nl.ca\)](http://assembly.nl.ca).

²⁰⁷ Online: [Committees - Chairs and Vice-Chairs \(ourcommons.ca\)](http://ourcommons.ca).

²⁰⁸ Online: [Glossary \(assembly.ab.ca\)](http://assembly.ab.ca).

²⁰⁹ Online: [House of Assembly - NL - Glossary \(assembly.nl.ca\)](http://assembly.nl.ca).

²¹⁰ Online: [House of Assembly - NL - Glossary](http://assembly.nl.ca).

Caucus Chair²¹¹

Caucus chairs preside over the meetings held by the party's caucus.

Government House Leader²¹²

The government house leader is appointed by their party caucus to manage the workload of the House of Assembly. The house leaders meet regularly to consult one another on the sequence and transaction of parliamentary business. This practice has evolved over time to ensure that the business of the House of Assembly is conducted in an organized manner.

The government house leader is responsible for announcing the daily order of business in the House of Assembly. The government house leader develops the schedule for debating all public bills and the estimates. In addition to announcing agreements on time allocation, the government house leader can move – without notice – procedural and other motions relating to the House of Assembly business, subject to the Standing Orders.

The government house leader, the official opposition house leader and the third party house leader are responsible for the speaking order of their party's MHAs during question period and other debates.

Deputy Government House Leader

The deputy government house leader would replace the government house leader when the latter is unavoidably absent.

²¹¹ Online: [Caucus Chairs \(lop.parl.ca\)](http://lop.parl.ca).

²¹² Online: [House Leaders \(leg.bc.ca\)](http://leg.bc.ca).

APPENDIX J

House of Assembly Committees

Committees of the House of Assembly²¹³ derive their authority from the House and are made up of MHAs. This appendix provides a brief overview of these committees.

Striking Committee

Meets once each General Assembly to select committee membership and recommends which MHAs will sit on which committees.

Standing Committees

There are six standing committees which are permanent committees of the House.

- **Government Services Committee**

This Committee may be asked to review any matter the House wishes to refer to it, typically of the departments and agencies included in the general government sector as laid out in the estimates. This Committee also reviews the annual estimates of these departments and agencies. This Committee consists of not more than 17 MHAs and not less than seven MHAs.

- **Social Services Committee**

This Committee may be asked to review any matter the House refers to it, typically of the departments and agencies included in the social sector as laid out in the estimates. This Committee also reviews the annual estimates of these departments and agencies. This Committee consists of not more than 17 MHAs and not less than seven MHAs.

- **Resource Committee**

This Committee may be asked to review any matter the House refers to it, typically of the departments and agencies included in the resource sector as laid out in the estimates. This Committee also reviews the annual estimates of these departments and agencies. This Committee consists of not more than 17 MHAs and not less than 7 MHAs.

²¹³ Online: [Guide to Standing & Select Committees \(assembly.nl.ca\)](https://assembly.nl.ca).

- **Public Accounts Committee**

This Committee reviews the annual report of the Auditor General, selecting matters from the report on which to hold hearings. This Committee also reviews the audited accounts of the House of Assembly; reviews the clerk's role as accounting officer of the House; conducts inquiries into other matters it may decide on that relate to the Public Accounts of the Province; and can request the Auditor General to review a matter (in accordance with the **Auditor General Act**). This Committee consists of seven MHAs.

- **Privileges and Elections Committee**

This Committee deals with matters of privilege the House refers. The Committee also reviews the code of conduct for MHAs and has responsibilities under the Harassment-Free Workplace Policy Applicable to Complaints Against MHAs. It consist of five Members.

- **Standing Orders Committee**

This Committee reviews and makes recommendations to the House on amendments to the Standing Orders. This Committee consists of five MHAs.

Select Committees

Select committees are struck for a particular purpose and cease to exist once they have reported.

APPENDIX K

Standing Committee Meetings

Standing Committee Meetings Since 2012²¹⁴

Year	Government Services	Resource	Social Services	Standing Orders	Privileges and Elections	Public Accounts Committee
2012	3	7	7	N/A	N/A	11
2013	4	7	7	N/A	N/A	9
2014	3	6	6	N/A	N/A	17
2015	4	6	7	1	N/A	17
2016	4	5	7	6	N/A	9
2017	4	4	5	4	3	12
2018	4	4	7	2	18	11
2019	12	4	5	3	10	8
2020	5	5	6	4	4	2
2021	3	5	5	4	0	5
2022	3	5	5	4	6	21
2023	4	5	5	4	2	22
Total	53	63	72	32	43	144

Meetings when House is in session versus not in session:

- **Government Services:**

51 of the 53 meetings were reviewing estimates when the House was in session. Two meetings were reviewing a draft bill when the House **was not** in session.

- **Resource:**

All 63 meetings were reviewing estimates when the House was in session.

²¹⁴ Information from House of Assembly Service records.

- **Social Services:**

All 72 meetings were reviewing estimates when the House was in session.

- **Standing Orders:**

Since 2015, nine meetings have been when the House was in session and 23 have been when the House **was not** in session.

- **Privileges and Elections:**

Since 2017, 14 meetings have been when the House was in session and 29 have been when the House **was not** in session.

- **Public Accounts:**

Since 2012, 51 meetings have been when the House was in session and 93 meetings have been when the House **was not** in session.

50th General Assembly Starting April 12, 2021 Committee Meeting Time in Hours

Meeting Time	Government Services	Resource	Social Services	Standing Orders	Privileges and Elections	Public Accounts Committee
Hours: minutes	27:37	39:14	37:13	7:09	7:45	78:27

APPENDIX L

Adjustment Formula & Application

Jurisdiction	Adjustment Formula	Adjustment Formula Application
British Columbia	Adjusted every year on April 1, by the percentage increase of the CPI, if any, for the 12-month period ending on December 31 of the previous year ²¹⁵ .	Adjustment formula applies to annual salary and additional positions.
Yukon	The indemnities and expense allowances of members of the Legislative Assembly shall be adjusted on April 1 of each year after this subsection comes into force in accordance with the percentage change in the average annual CPI for Canada over the previous two calendar years ²¹⁶ .	Adjustment formula applies to annual salary and additional positions.
Alberta	On April 1 of each year, components of Member remuneration shall be increased or decreased by the year-over-year percentage increase or decrease in the Alberta (All Items) CPI published by Statistics Canada for the immediately preceding calendar year ^{217 218} .	Adjustment formula applies to annual salary, additional positions and committee per diems.
Northwest Territories	On April 1 of each year, the amounts set out in Parts 1, 2, 3 and 5 of Schedule C are deemed to be adjusted by the average percentage increase or decrease in the CPI for Canada in the previous five calendar years ²¹⁹ .	Adjustment formula applies to annual salary and additional positions.

²¹⁵ Online: [Members' Remuneration and Pensions Act](http://bclaws.gov.bc.ca) (bclaws.gov.bc.ca), RSBC 1996, c 257, s 2.

²¹⁶ Online: [Legislative Assembly Act](http://laws.yukon.ca) (laws.yukon.ca), RSY 2002, c 136, s 39(2).

²¹⁷ Online: [Legislative Assembly of Alberta, MLA Remuneration \(1 April 2023\)](http://assembly.ab.ca) (assembly.ab.ca).

²¹⁸ Ibid, ECS-1, s 1.1(1).

²¹⁹ Online: [Legislative Assembly and Executive Council Act](http://justice.gov.nt.ca) (justice.gov.nt.ca), SNWT 1999, c 22, s 21(1).

Jurisdiction	Adjustment Formula	Adjustment Formula Application
Saskatchewan	On April 1 of each year, the annual indemnity and the allowances for extra duties shall be increased or decreased by the annual change in the CPI for Saskatchewan to a maximum of 3% and a minimum of 0% ²²⁰ .	Adjustment formula applies to annual salary and additional positions.
Manitoba	The basic annual salary payable to a member is the basic annual salary for the immediately preceding fiscal year, plus the cost-of-living adjustment for that amount, using the formula: COLA = Amount × average annual increase in the Manitoba CPI for the last 5 preceding calendar years ²²¹ .	Adjustment formula applies to annual salary, additional positions and the maximum provided to a member who serves as a committee chairperson or vice chairperson.
Ontario	75 per cent of the annual sessional allowance paid to members of the House of Commons under Part IV of the Parliament of Canada Act . For greater certainty, whenever the annual sessional allowance paid to members of the House of Commons under that Act changes, a corresponding change shall be made to the annual salary of every member of the Assembly. Salaries have been frozen since March 26, 2009 ²²² .	Adjustment formula applies to annual salary and additional positions.
Nunavut	Where the rates of pay of employees referred to in paragraph 55(5)(a) of the Public Service Act are globally increased or decreased by a certain percentage, the Management and Services Board may, by regulation, amend Schedule C by the same percentage increase or decrease ²²³ .	No automatic application. Done by regulation. If adjusted applies to annual salary and additional positions.

²²⁰ Online: [Directive #21](http://legassembly.sk.ca) (legassembly.sk.ca), cL-11.3, Annual Indemnity and Allowances, s 8.

²²¹ Online: [Members' Salaries Regulation](http://gov.mb.ca), CCSM, c L110, s 1(1) and 1.1(1). (gov.mb.ca).

²²² Online: [Legislative Assembly Act](http://ontario.ca), RSO 1990, c L10, s 61(1), (1.1) and (1.2). (ontario.ca).

²²³ Online: [Legislative Assembly and Executive Council Act](http://nunavutlegislation.ca) (nunavutlegislation.ca), CSNu, L-70, Schedule C and s 1.

Jurisdiction	Adjustment Formula	Adjustment Formula Application
Quebec	The annual indemnity shall be increased by any amount equal to any increase in the maximum rate of the salary scale of holders of a level 4 senior position that is applicable to the most senior officers, vice-presidents, vice-chairpersons and members of government bodies. In addition, every Member shall receive an amount equal to any other salary increase granted to holders of a senior position to whom the salary scale referred to in the second paragraph is applicable ²²⁴ .	Adjustment formula applies to annual salary and additional positions.
New Brunswick	The annual indemnity payable to a member of the Legislative Assembly shall be adjusted by the percentage, if any, provided for in the management and non-union plan of Part 1 the Public Service ²²⁵ .	Adjustment formula applies to annual salary and additional positions. It does not apply to the committee per diem. This is revised by the Legislative Administrative Committee.
Prince Edward Island	A commission is established at the beginning of a General Assembly and remains in place until dissolution. The commission determines when it will review salaries, what the increases will be and to what positions it will apply ²²⁶ . Reviews can take place several times over the life of a General Assembly.	The remuneration adjustment amount and whether it applies to the annual salary and/or additional positions is at the commission's discretion.

²²⁴ Online: [Act respecting the conditions of employment and the pension plan of the Members of the National Assembly](https://legisquebec.gouv.qc.ca) (legisquebec.gouv.qc.ca), C-52.1, s 1.

²²⁵ **An Act Respecting the Executive Council Act and the Legislative Assembly Act**, SNB 2023, c 21, s 2 (comes into force on November 1, 2024 revising the **Legislative Assembly Act**, RSNB 2014, c 116, s 28).

²²⁶ Online: [Legislative Assembly Act](https://princeedwardisland.ca) (princeedwardisland.ca), RSPEI 1988, c L-7.1, s 53(10).

Jurisdiction	Adjustment Formula	Adjustment Formula Application
Nova Scotia	Formula based on public service increase, however, there have been no increases since 2013.	
Newfoundland and Labrador	No formula in place.	No formula for the annual salary or additional positions. Done by legislative amendment ²²⁷ .

²²⁷ HOAAIAA, SNL2007, c.H-10.1, s 15(1), (2), and (3).

APPENDIX M
MHA Severance Policy
December 2017



House of Assembly

Severance Policy for Members of the House of Assembly

December 2017

Table of Contents

- 1.0 Introduction
- 2.0 Purpose
- 3.0 Applicability
- 4.0 Member's First Elected Before November 30, 2015
- 5.0 Member's First Elected On/After November 30, 2015

1.0 Introduction

Under the authority of paragraph 11(3)(a) and subparagraph 20(6)(b)(ii) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act), the House of Assembly Management Commission establishes this policy respecting severance for Members of the House of Assembly.

2.0 Purpose

The purpose of this policy is to establish guidelines to ensure that severance paid to Members of the House of Assembly is done in accordance with the parameters accepted and approved by the House of Assembly Management Commission.

3.0 Applicability

The severance provisions outlined in Section 4.0 of this policy apply only to those Members who were first elected before November 30, 2015.

The severance provisions outlined in Section 5.0 of this policy apply only to those Members first elected on or after November 30, 2015.

3.1 Breaks in Service

If a Member is re-elected following a break in service, prior service for which severance has already been paid is not counted towards years of service for future severance. The Member shall be considered as commencing his/her first General Assembly, regardless of how many Assemblies he/she may have served previously.

4.0 Members First Elected Before November 30, 2015

4.1 Eligibility

A Member who resigns, retires or is defeated is eligible for severance.

4.2 Definition of Salary

For the purpose of calculating severance under this section, salary is 81.2% of the Member's gross salary as established in section 11 of the Act. Salaries paid to a Member for occupying a Legislative Office are not included in the calculation of severance.

4.3 Calculation

Severance shall be calculated at one month salary for each year of MHA service and prorated for part of the year's service, to a maximum of 12 months and with a minimum of 3 months.

December 2017

4.4 Payment

Severance is paid as a lump sum within the same fiscal year of the Member's termination.

5.0 Members First Elected On/After November 30, 2015

5.1 Eligibility

A Member must serve at least 3 years in order to be eligible for severance.

Any Member who is disqualified from being a Member pursuant to Part V of the Act other than the failure to be re-elected or the resignation of his/her seat, is not eligible to receive severance.

5.2 Definition of Salary

For the purpose of calculating severance under this section, severance is based on the salary payable to a Member as established in section 11 of the Act. Salaries paid to a Member for occupying a Legislative Office are not included in the calculation of severance.

5.3 Calculation

Severance shall be calculated as follows:

- If the Member's service ends at the conclusion of his/her 1st General Assembly, 20% of the Member's salary is payable as severance;
- If the Member's service ends at the conclusion of his/her 2nd General Assembly, 50% of the Member's salary is payable as severance;
- If the Member's service ends at the conclusion of his/her 3rd General Assembly or thereafter, a maximum of 75% of the Member's salary is payable as severance.

If a Member's service ends prior to the end of an Assembly, the severance will be prorated for the years of service.

5.4 Deductions

Severance benefits paid to a Member from any other government source including, but not limited to, severance benefits paid by Executive Council (e.g. the receipt by a Minister of payment upon leaving a Ministerial office and an extended car allowance) shall be deducted from the severance payable to an MHA from the House of Assembly.

The overall severance from all sources must not exceed the maximum severance payable pursuant to subsection 5.2 of this policy.

December 2017

5.5 Payment

Severance shall be paid monthly during the transition period.

5.6 Cessation

Severance benefits shall cease if, during the transition period^{*}, a Member:

- a. is eligible to receive a pension sponsored by the Government of Newfoundland and Labrador during the transition period;
- b. obtains fulltime employment with the public sector;
- c. is appointed a provincial or federal judge;
- d. is appointed to the Senate of Canada;
- e. is elected as a Member of the House of Commons;
- f. is appointed Lieutenant-Governor of Newfoundland and Labrador;
- g. is appointed Governor General of Canada.

^{*}The Member may select a transition period that is not less than 3 months, and not greater than 12 months.

Members will be required to sign an affidavit declaring their responsibility to notify the Legislature should one of the above occur during the transition period.

APPENDIX N

Eckler Pension Actuarial Memos

MEMO

TO Dean Batten, Manager, Pension Investments, Treasury Board Secretariat, Government of Newfoundland and Labrador

FROM Philip Churchill, Eckler Ltd.

DATE January 25, 2024

RE **MCRC – Request for Costing of Benefit Change under Members of the House of Assembly Retiring Allowances Act**

As requested, we have estimated the impact on the obligations under the Members of the House of Assembly Retiring Allowances Act of a change to the benefit provisions for Members first elected in 2015.

The change would be to provide benefits under the Act for members first elected in the 2015 general election at the same level as those that were available immediately prior to that election. Specifically, the accrual rate would be improved from 2.5% of earnings to 3.5% of earnings and supplementary benefits would be payable from age 55 rather than age 60. Members first elected after the 2015 general election would not be eligible for the improved benefits.

To determine the costs, we have used the data from the December 31, 2021 actuarial valuation of the plan and the assumptions used in the March 31, 2023 General Accounts for the Province. The actuarial assumptions used in the costing are provided in the appendix.

Eleven Members of the House of Assembly would be impacted by this change. The increase in benefit obligation at March 31, 2023 is estimated to be \$1,472,000. The increase in the cost of benefits accruing in the year following March 31, 2023 (the service cost) is estimated to be \$163,000. As this is a past service cost under the accounting standard, the increase in obligation would be expensed immediately if this change were implemented.

If you have any questions, please do not hesitate to contact us.

Regards,



Philip Churchill, FCIA, FSA
Principal

Appendix

Members of the House of Assembly Pension Plan - Actuarial Assumptions

MHAPP Assumptions	March 31, 2023 PSAB 3250 Accounting Valuation
Valuation Date	December 31, 2021
Discount Rate	
Rate of return on plan assets	6.20% per annum
Government cost of borrowing	4.47% per annum
Inflation	2.10% per annum
Salary Increases	0.00% per annum from 2022-2024, 2.50% per annum thereafter
YMPE/DB Limit Increase	2.85% per annum
Mortality	CPM2014 Public Table with generational projection using improvement scale CPM-B adjustment factors of 0.9 for males and 0.95 for females
Termination	8% per year from 5 years of service (vesting) to eligibility for an unreduced pension
Disability	None
Retirement	Upon reaching unreduced retirement eligibility, 8% per year for members under 60, 60% per year for members between 60 and 64, 100% upon reaching age 65
% with eligible survivor	90%
Spousal age difference	Male is 3 years older than female
Provision for expenses	Implicit in interest rate



MEMO

TO Maureen McCarthy, Members Compensation Review Committee
FROM Philip Churchill, Eckler Ltd.
DATE March 1, 2024
RE **MCRC – Request for Costing of Impact of Salary Increase
Members of the House of Assembly Retiring Allowances Act**

As requested, we have estimated the impact on the obligations under the Members of the House of Assembly Retiring Allowances Act of an increase to Members salaries in 2024 from \$95,357 to \$120,000. The impact of this change is over and above the previous costing to improve the benefit provisions for Members first elected in 2015.

To determine the costs, we have used the data from the December 31, 2021 actuarial valuation of the plan and the assumptions used in the March 31, 2023 General Accounts for the Province. The actuarial assumptions used in the costing are provided in the appendix.

The increase in benefit obligation at March 31, 2023 is estimated to be \$875,000 (\$485,000 of which is an increase in the registered plan obligation and \$390,000 is an increase in the supplemental plan obligation). The increase in the cost of benefits accruing in the year following March 31, 2023 (the service cost) is estimated to be \$155,000 (\$95,000 from the registered plan and \$60,000 from the supplemental plan).

As the increase in salary would be accounted for as an actuarial loss when the next valuation is performed, the increase in obligation would be amortized into the pension expense over the expected remaining service life of active plan members.

If you have any questions, please do not hesitate to contact us.

Regards,



Philip Churchill, FCIA, FSA
Principal

Appendix

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Mortality	CPM2014 Public Table with generational projection using improvement scale CPM-B adjustment factors of 0.9 for males and 0.95 for females
Termination	8% per year from 5 years of service (vesting) to eligibility for an unreduced pension
Disability	None
Retirement	Upon reaching unreduced retirement eligibility, 8% per year for members under 60, 60% per year for members between 60 and 64, 100% upon reaching age 65
% with eligible survivor	90%
Spousal age difference	Male is 3 years older than female
Provision for expenses	Implicit in interest rate



APPENDIX O

Salary Calculations

Summary of Recommended Salary Increases

	Current Salary	Recommended Salary	Difference	Total increase
MHA annual salary increase (applies to 40 MHAs)	\$95,357	\$120,000	\$24,643	\$985,720
Increases to additional-salary positions (details provided below)	\$191,788	\$318,000	\$126,212	\$126,212
Total				\$1,111,932

Details of Additional-Salary Positions

Position	Current Salary	Recommended Salary	Increase
Existing Positions:			
Speaker	\$48,665	\$55,000	\$6,335
Deputy speaker and chair of committees	\$12,166	\$25,000	\$12,834
Leader of the official opposition	\$48,665	\$55,000	\$6,335
Official opposition house leader	\$24,330	\$25,000	\$670
Leader of a third party	\$24,330	\$30,000	\$5,670
Third party house leader	\$12,166	\$15,000	\$2,834
Chairperson of the Public Accounts Committee	\$12,166	\$15,000	\$2,834
Vice chairperson of the Public Accounts Committee	\$9,300	\$10,000	\$700
Subtotal	\$191,788	\$230,000	\$38,212
Recommended Additional Positions:			
Deputy Chair of committees	\$0	\$15,000	\$15,000
Government house leader (if not a minister)	\$0	\$25,000	\$25,000

Deputy government house leader (if not a minister)	\$0	\$9,000	\$9,000
Government caucus chair	\$0	\$5,000	\$5,000
Government party whip	\$0	\$5,000	\$5,000
Deputy opposition house leader	\$0	\$9,000	\$9,000
Official opposition caucus chair	\$0	\$5,000	\$5,000
Official opposition party whip	\$0	\$5,000	\$5,000
Third party caucus chair (if 5 or more MHAs)	\$0	\$5,000	\$5,000
Third party whip (if 5 or more MHAs)	\$0	\$5,000	\$5,000
Subtotal	\$0	\$88,000	\$88,000
Total	\$191,788	\$318,000	\$126,212

Note: The 2024 MCRC recommends that, should MHAs not be in an additional-salary position or compensated as a minister, they should receive compensation for attendance at meetings of House Committees or the Management Commission, under the following conditions:

- Only meetings held when the House is not in session are compensated;
- Chairperson: \$200/meeting;
- Member: \$150/meeting; and
- The maximum a member can receive in a fiscal year is \$5,000.

See [Appendix P](#) for further information.

The following provides the total salary that will be provided to additional-salary positions upon acceptance of the recommended salary increases:

Position	MHA Annual Salary	Additional-Salary	Total Salary
Presiding officers:			
Speaker	\$120,000	\$55,000	\$175,000
Deputy speaker	\$120,000	\$25,000	\$145,000
Deputy chair of committees	\$120,000	\$15,000	\$135,000
Government:			
Government house leader (if not a minister)	\$120,000	\$25,000	\$145,000
Deputy government house leader (if not a minister)	\$120,000	\$9,000	\$129,000

Position	MHA Annual Salary	Additional-Salary	Total Salary
Caucus chair	\$120,000	\$5,000	\$125,000
Party Whip	\$120,000	\$5,000	\$125,000
Official Opposition:			
Leader of the official opposition	\$120,000	\$55,000	\$175,000
Opposition house leader	\$120,000	\$25,000	\$145,000
Deputy opposition house leader	\$120,000	\$9,000	\$129,000
Caucus chair	\$120,000	\$5,000	\$125,000
Party whip	\$120,000	\$5,000	\$125,000
Third Party:			
Third party leader	\$120,000	\$30,000	\$150,000
Third party house leader	\$120,000	\$15,000	\$135,000
Caucus chair (if 5 or more MHAs)	\$120,000	\$5,000	\$125,000
Party whip (if 5 or more MHAs)	\$120,000	\$5,000	\$125,000
Committees and Management Commission:			
Chairperson of the Public Accounts Committee	\$120,000	\$15,000	\$135,000
Vice chairperson of the Public Accounts Committee	\$120,000	\$10,000	\$130,000

Position	MHA Annual Salary	Additional-Salary	Total Salary
Member or chairperson of a Committee of the House (other than Public Accounts Committee chairperson or vice chairperson) or a member of the Management Commission: Chairperson: \$200/meeting Member: \$150/meeting To a combined maximum of \$5,000 in a fiscal year	\$120,000	\$5,000	\$125,000

The following compares the compensation for additional-salary positions since 2007. Should government continue assigning the house leader and deputy house leader responsibilities to ministers, the recommended cost of the additional-salary positions is approximately \$34,000 less than it was between 2007 and 2016.

Position	Salary 2008-2016	Salary 2016-current	2024 Recommended	Difference
Speaker	\$54,072	\$48,665	\$55,000	\$928
Deputy speaker	\$27,033	\$12,166	\$25,000	(\$2,033)
Deputy chair of committees	\$13,517	\$0	\$15,000	\$1,483
Leader of the opposition	\$54,072	\$48,665	\$55,000	\$928
Opposition house leader	\$27,033	\$24,330	\$25,000	(\$2,033)
Deputy opposition House leader	\$18,457	\$0	\$9,000	(\$9,457)
Leader of the third party	\$18,918	\$24,330	\$30,000	\$11,082
Third party house leader (added in 2016)	\$0	\$12,166	\$15,000	\$15,000
Party whip (3)	\$40,551	\$0	\$15,000	(\$25,551)
Caucus chair (3)	\$40,551	\$0	\$15,000	(\$25,551)

Position	Salary 2008-2016	Salary 2016-current	2024 Recommended	Difference
Chairperson of the Public Accounts Committee	\$13,517	\$12,166	\$15,000	\$1,483
Vice chairperson of the Public Accounts Committee	\$10,333	\$9,300	\$10,000	(\$1,333)
Subtotal	\$318,054	\$191,788	\$284,000	(\$34,054)
Government house leader*			\$25,000	
Deputy government house leader*			\$9,000	
* Would only be paid if the roles were filled by a private member				

APPENDIX P

Cost of House Committees & Management Commission Meetings

The following assumptions are used in estimating the costs of House committees and Management Commission meetings:

1. The number of meetings is estimated on the committee and Commission activity for the 50th General Assembly that have taken place when the House was not in session;
2. A number of committee members will have other salaried positions and would not be compensated for attendance at committee meetings;
3. The Government Services, Social Services and Resource standing committees typically meet during the sitting period to review the Budget estimates, so meetings would not be compensated;
4. The chairperson and vice chairperson of the Public Accounts Committee are compensated positions;
5. The Standing Orders Committee is chaired by either the government house leader or the speaker. Other members typically include house leaders or deputy house leaders which are compensated positions;
6. The Privileges and Elections Committee will typically include ministers or house leaders. However, provision has been made in the costing below for a private member to chair this committee; and
7. The Management Commission is comprised of a few positions that are already compensated with the speaker as chairperson. Provision is made for three private members.

Committee or Commission	Estimated number of meetings	MHAs to be compensated	Cost
Public Accounts	13	5	\$9,750
Privileges and Elections	4	3	\$2,000
Standing Orders	4	2	\$1,200
Management Commission	10	3	\$4,500
Total			\$17,450

APPENDIX Q

Transitional Allowance Calculations

For calculation purposes **only**, the end date is assumed to be March 31, 2024 (the end of the 2023-24 fiscal year).

The following summarizes four scenarios:

- the current policy applied to the current MHA annual salary of \$95,387;
- the current policy applied to the recommended MHA annual salary of \$120,000;
- the recommended policy applied to the current MHA annual salary of \$95,357; and
- the recommended policy applied to the recommended MHA annual salary of \$120,000.

Current Severance Policy	No. of MHAs*	Current Salary (\$95,357)	Recommended Salary (\$120,000)
Pre-November 30, 2015 MHAs (Note 1)	7	\$502,068	\$778,100
Post-November 30, 2015 MHAs (Note 2):			
MHAs with 3 General Assemblies served	9	\$643,653	\$810,000
MHAs with 2 General Assemblies served	13	\$572,136	\$780,000
MHAs with 1 General Assembly and 3 years served	6	\$133,500	\$144,000
MHAs Ineligible for severance	3	\$0	\$0
Subtotal	31	\$1,349,289	\$1,734,000
Total	38	\$1,851,357	\$2,512,100

Recommended Transitional Allowance Policy	No. of MHAs*	Current Salary (\$95,357)	Recommended Salary (\$120,000)
MHAs subject to 12-month ceiling	4	\$381,428	\$480,000
MHAs subject to three-month floor	1	\$23,839	\$30,000
MHAs subject to years of service	33	\$1,552,491	\$1,953,700
Totals	38	\$1,957,759	\$2,463,700
*There are two vacancies as of March 2024			
Note 1: Pre-November 30, 2015 severance entitlement is calculated on 81.2% of the annual MHA salary.			
Note 2: Post November 30, 2015 severance entitlement is calculated on 100% of annual MHA salary			

Should the **recommended MHA annual salary and recommended transitional allowance policy both be accepted**, then the liability, at this point in time, will increase by \$612,000. This is the difference between the current liability of \$1,851,357 and the liability of \$2,463,700 associated with the recommended MHA annual salary and transitional allowance policy.

It is interesting to observe the following:

- The current severance policy applied to the recommended \$120,000 MHA annual salary would increase the liability by approximately \$661,000 and provide a less equitable policy for all MHAs; and
- The recommended transitional allowance policy applied to the current MHA annual salary of \$95,357 would increase the liability by approximately \$106,000 and provide a more equitable policy for all MHAs.

APPENDIX R

Cost of Allowances Recommendations

The following summarizes the financial commentary associated with the recommendations regarding allowances:

1. Provide the option of the \$200/month vehicle allowance to the districts of Labrador West and Harbour Grace-Port de Grave.

Commentary:

No financial impact. The car allowance is deducted from the already budgeted mileage component for the district.

2. All mileage to be charged at the designated rate.

Commentary:

Based on the mileage expensed over the period April 1, 2016 to March 31, 2023, the anticipated cost is an estimated **\$34,000** in total across the House-in-session, House-not-in-session and intra- and extra-constituency allowances, as well as House operations (mileage charged for travel to committee meetings, House mandated training and parliamentary events).

Approximately 30 MHAs expense mileage in a fiscal year. The first 9,000 miles for each MHA are reimbursed at the designated rate. The 9,000 km is an individual limit, not an allowance-type limit. Once 9,000 kms are reached, all reimbursements afterward are at the lower basic rate.

The following provides a breakdown of all mileage reimbursed to MHAs for the past seven years and is based on the total mileage reimbursed across all accounts: House-in-session, House-not-in-session, intra- and extra-constituency and House operations. The number of kilometres is an estimate and were calculated on a district basis, with the first 9,000 kms calculated using the average designated rate for the fiscal year and the remaining calculated using the average reimbursement kilometre rates for the fiscal year. The estimate is understated, as it does not capture mileage paid by the executive branch, i.e., mileage claimed by ministers in their ministerial role.

Fiscal Year	Mileage Reimbursed	Total Estimated Kms	Designated Rate KMs	Designated Rate Reimbursement	Basic Rate KMs	Basic Rate Reimbursement
2016-17	\$184,952	435196	206235	\$102,251	228961	\$82,701
2017-18	\$182,107	426674	201178	\$100,207	225495	\$81,900
2018-19	\$195,866	460783	202705	\$102,183	258078	\$93,682
2019-20	\$148,265	341416	175172	\$87,919	166244	\$60,347
2020-21	\$98,948	221230	168970	\$81,122	52260	\$17,826
2021-22	\$169,721	374283	182175	\$95,605	192108	\$74,115
2022-23	\$209,041	438625	192109	\$106,563	246516	\$102,477

Mileage reimbursement decreased during years affected by the Covid-19 pandemic. It was also lower in 2021-22 due to the 2021 general election as mileage cannot be expensed to the allowances during the writ period.

The following are the Treasury Board rates of reimbursement for use of a private vehicle for work during fiscal 2023-24.

	Basic Rate	Designated Rate	In excess of 9,000 km per year
Mar 1, 2024 – Mar 31, 2024	40.73 ¢/km	54.63 ¢/km	40.73 ¢/km
Feb 1, 2024 – Feb 29, 2024	40.36 ¢/km	54.26 ¢/km	40.36 ¢/km
Jan 1, 2024 – Jan 31, 2024	39.61 ¢/km	53.51 ¢/km	39.61 ¢/km
Dec 1, 2023 – Dec 31, 2023	40.39 ¢/km	54.29 ¢/km	40.39 ¢/km
Nov 1, 2023 – Nov 30, 2023	40.78 ¢/km	54.68 ¢/km	40.78 ¢/km
Oct 1, 2023 – Oct 31, 2023	42.03 ¢/km	55.93 ¢/km	42.03 ¢/km
Sept 1, 2023 – Sept 30, 2023	42.51 ¢/km	56.41 ¢/km	42.51 ¢/km
Aug 1, 2023 – Aug 31, 2023	41.70 ¢/km	55.60 ¢/km	41.70 ¢/km
July 1, 2023 – July 31, 2023	40.19 ¢/km	54.09 ¢/km	40.19 ¢/km
June 1, 2023- June 30, 2023	40.84 ¢/km	54.74 ¢/km	40.84 ¢/km
May 1, 2023- May 31, 2023	40.63 ¢/km	54.53 ¢/km	40.63 ¢/km
April 1, 2023 – April 30, 2023	40.35 ¢/km	54.25 ¢/km	40.35 ¢/km

The average designated rate for 2023-24 is 54.74 ¢/km; the average basic rate for 2023-24 is 40.84 ¢/km.

The average mileage for “regular” years is 440,320. The portion of this mileage that would be expensed at the designated rate is 200,557 kms. The remaining 239,763 kms would be expensed at the basic rate. Therefore:

At the designated rate 440,320 kms @ .5474 per km:	\$241,031
At the combined rate 440,320 kms:	\$207,704
200,557 kms @ .5474 kms:	\$109,785
239,763 kms @ .4084:	\$97,919

Difference: \$33,327

3. Removal of the 60-km restriction for those commuting beyond this distance.

Commentary:

Based on usage data between April 1, 2016 and March 31, 2023, the anticipated cost is approximately **\$33,000** comprised of approximately \$23,000 associated with House-in-session travel and \$10,000 associated with House-not-in-session travel. This estimate was arrived at based on the following assumptions:

House-in-session	
Return trip kms	120
Average mileage/km rate for 2023-24	\$0.5474
Average number of MHAs claiming mileage	25
Average number of sitting weeks	14
Estimated cost of additional HIS mileage	\$22,991
House-not-in-session	
Return trip kms	120
Average mileage/km rate for 2023-24	\$0.5474
Average HNIS trips +1	9
Average # MHAs claiming HNIS mileage	16
Estimated cost of additional HNIS mileage	\$9,459
Total	\$32,450

Note: if all MHAs outside the capital travelled using their private vehicle and utilized all available House-not-in-session trips, this cost would increase to \$60,000. However, it would be offset by decreases in airfare and rental car costs.

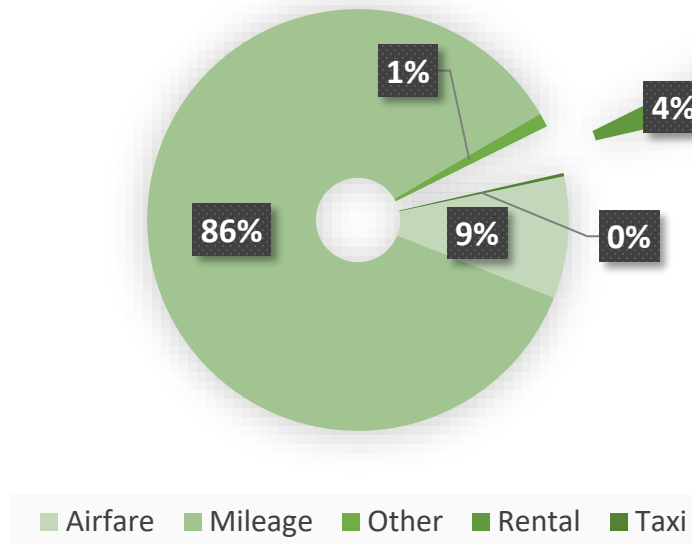
4. Removal of restriction of parking expense on primary vehicle when using a rental vehicle.

Commentary:

Reimbursement of these fees would increase expenditures under the intra- and extra-constituency allowance, for which a capped budget is allocated.

The cost of these fees is expected to be minimal. The below illustrates the distribution of total intra- and extra-constituency travel costs by component for the period 2016-17 to 2022-23. The cost of rental for I&E travel averages 4% in comparison to private vehicle use which averages 86%, consequently the assumption that associated parking fees would be minimal.

Intra- and Extra-Constituency Travel 2016-17 to 2022-23



5. Provision for extraordinary travel.

Commentary:

The cost of extraordinary travel cannot be quantified as 1) it is based on exceptional circumstances; and 2) would be at the MHAs discretion as to whether they would want to expense the costs against the allocated intra- and extra-constituency allowance.

6. Implement the Treasury Board meal per diems.

Commentary:

Implementation of the Treasury Board meal per diems is expected to increase expenditures by **\$12,200** annually based on the following estimate:

The current meal per diem is \$50 daily tax included prorated as follows:

- Breakfast- \$10
- Lunch - \$15
- Dinner - \$25

The Treasury Board per diem is \$52.44 daily tax included prorated as follows:

- Breakfast - \$9.60
- Lunch - \$16.80
- Dinner - \$26.04

Based on usage data from the last seven years, the impact of this increase is estimated at **\$12,200** annually (HIS: \$6700, HNIS: \$3,500 and I&E \$1,800).

The basis for arriving at this estimate is provided in the following:

	HIS Average	HNIS Average	I&E Average	Total	Total with HST	Estimated # meals	Difference between old & new rates
Breakfast	\$5,238	\$2,900	\$1,525	\$9,663	\$11,113	1,111	-\$445
Lunch	\$11,442	\$4,994	\$7,393	\$23,829	\$27,404	1,827	\$3,288
Dinner	\$18,252	\$7,882	\$8,879	\$35,013	\$40,265	1,611	\$1,675
Full per Diem	\$80,889	\$47,187	\$7,831	\$135,907	\$156,293	3,126	\$7,627
Total							\$12,146

7. Provide that meals may be expensed up to \$75 daily (HST included), with receipts, for those MHAs who stay in standard room accommodations in hotels, motels et cetera when staying in the capital region.

Commentary:

Based on usage data and estimating that 75% of the time this option may be exercised by MHAs staying in hotels et cetera without access to cooking facilities, it is estimated that this will cost approximately \$15,600 annually.

The basis for this estimate follows:

Annual costs of temporary accommodations expensed under House-in-session & House-not-in-session allowances:

Fiscal year	Total Cost
2016-17	\$176,479
2017-18	\$123,188
2018-19	\$117,060
2019-20	\$80,097
2020-21	\$68,012
2021-22	\$90,705
2022-23	\$125,314

Based on the above annual costs:

Average annual cost of temporary accommodation	\$124,427	2020-21 excluded due to Covid
Room cost/night	\$135	Assumption: average room cost is estimated at \$135/night
Total estimated nights	922	
Take up rate	0.75	Assumption: meal per diems/receipts option would be used for 75% of stays
Number of nights subject to higher meal costs	691	
Cost differential	22.56	Cap of \$75 minus the daily meal per diem of \$52.44
Estimated additional cost for meals	\$15,600	

8. Provide that MHAs travelling internationally may utilize the meal per diems provided under the federal Treasury Board Travel Directive.

Commentary:

This cost cannot be quantified but as international travel is rare it would be expected to be minimal and readily absorbed into existing appropriations.

9. Provide that meals may be expensed up to \$100 Cdn daily (HST included), with receipts, for those MHAs who are travelling outside the province.

Commentary:

Travel outside the province by MHAs is limited. In the case of parliamentary events, most meals are provided by the host jurisdiction. In accordance with government policy, which is followed by the legislature unless the Management Commission adopts its own, meals may not be claimed while on travel status, where the cost of meals is included as part of another reimbursable item (i.e., conference fee, transportation cost).

Should an MHA travel under the extra-constituency component of the intra- and extra-constituency allowance, the costs are expensed against a budgeted capped allowance.

10. Consolidating the office-operations allowance and the constituency allowance.

Commentary:

None. These are both capped allowances at \$12,000 (HST included) annually and \$3,000 (HST annually) respectively. The recommended allowance would be a combination of these two allowances, i.e., \$15,000 (HST included) annually.

11. Eliminating the Start-up Allowance.

Commentary:

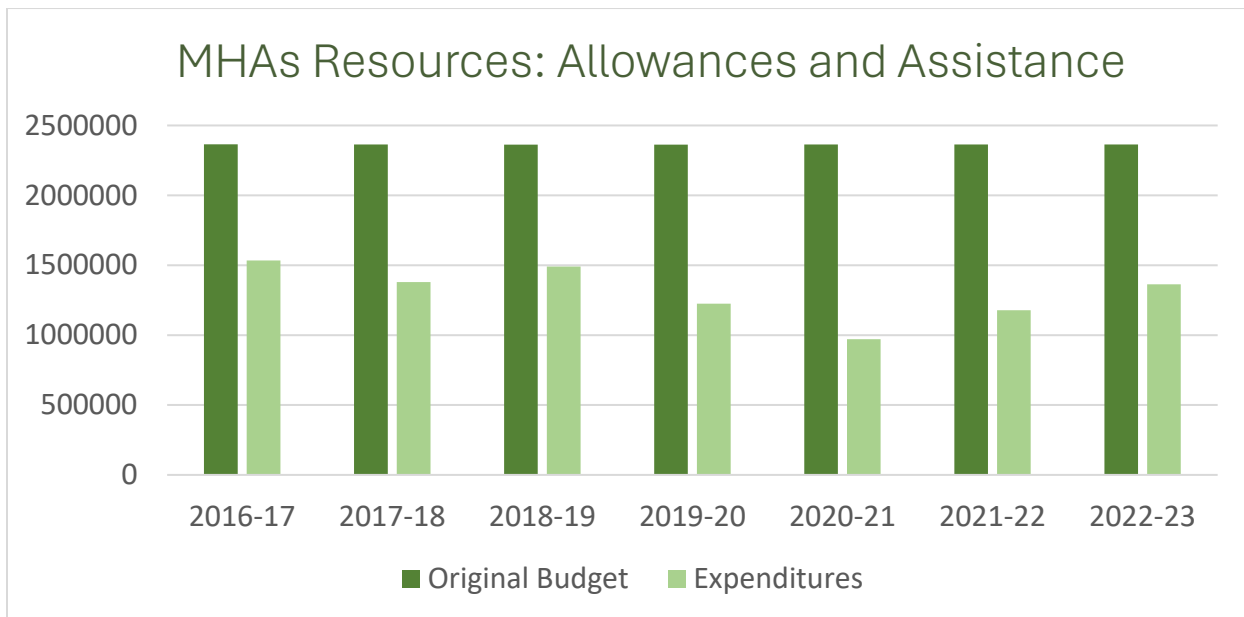
This allowance is only budgeted in election years. As it is difficult to predict election results an amount cannot be determined. During general assemblies, should a by-election occur, the cost is absorbed within existing appropriations. Its elimination would not result in a budgetary reduction as it is just a cost that would no longer be required.

Summary

Should all the recommendations affecting meals and travel be accepted, the increase in expenditures would be expected to be approximately \$94,800 annually:

All mileage at designated rate	\$34,000
Removal of the 60 km restriction	\$33,000
Increase in meal per diems	\$12,200
Provision of a per diem/receipt option for meals when staying in temporary accommodation	\$15,600
Total	\$94,800

The following depicts MHA allowances total expenditures based on Public Accounts data for the period 2016-17 to 2022-23:



The excess of budget over expenditure results from not all MHAs utilizing the funds that are available to them. Currently there is sufficient capacity within existing budget allocation to absorb the increased costs in mileage and meals. Should uptake on allowance use increase, the matter would need to be dealt with during the Budget process.

Changes to the mileage rate and meal per diems necessitates a recalculation of the intra- and extra-constituency allowance. This allowance is allocated on a district basis and enumerated in Schedule A of the **Members' Resources and Allowances Rules**. The following reflects the new intra- and extra-constituency travel allowance amounts for each district.

Category	Electoral District#	District Name	Density Index 2021	Current I&E (HST incl.)	Proposed I&E (HST incl.)
Category 1	31	St. John's Centre	1.8	\$5,600	\$5,700
	32	St. John's East - Quidi Vidi	1.8	\$5,600	\$5,700
	33	St. John's West	2.3	\$5,600	\$5,700
	38	Virginia Waters - Pleasantville	2.3	\$5,600	\$5,700
	24	Mount Pearl - Southlands	2.5	\$5,600	\$5,700
	25	Mount Pearl North	2.6	\$5,600	\$5,700
	10	Corner Brook	3	\$5,600	\$5,700
	40	Windsor Lake	3.1	\$5,600	\$5,700
	39	Waterford Valley	3.9	\$5,600	\$5,700
	9	Conception Bay South	4.6	\$5,600	\$5,700
	26	Mount Scio	4.6	\$5,600	\$5,700
	36	Topsail - Paradise	5.3	\$5,600	\$5,700
	21	Labrador West	5.4	\$5,600	\$5,700
	5	Cape St. Francis	8.5	\$5,600	\$5,700
	17	Harbour Grace - Port de Grave	9.3	\$5,600	\$5,700
Category 2	15	Gander	16.5	\$8,200	\$8,400
	16	Grand Falls-Windsor - Buchans	18.4	\$8,200	\$8,400
	34	Stephenville - Port au Port	20.8	\$8,200	\$8,400
	18	Harbour Main	22.5	\$8,200	\$8,400
	19	Humber - Bay of Islands	23.4	\$8,200	\$8,400
	11	Exploits	26.6	\$8,200	\$8,400
	6	Carbonear - Trinity - Bay de Verde	28.6	\$8,200	\$8,400
Category 3	12	Ferryland	33.1	\$12,200	\$13,300
	23	Lewisporte - Twillingate	48.1	\$12,200	\$13,300
	22	Lake Melville	48.3	\$12,200	\$13,300
	4	Burin - Grand Bank	48.6	\$12,200	\$13,300
	2	Bonavista	49.3	\$12,200	\$13,300
	27	Placentia - St. Mary's	51.1	\$12,200	\$13,300
	35	Terra Nova	51.4	\$12,200	\$13,300
	20	Humber - Gros Morne	69.3	\$12,200	\$13,300
	14	Fortune Bay - Cape La Hune	75.1	\$12,200	\$13,300

Category	Electoral District#	District Name	Density Index 2021	Current I&E (HST incl.)	Proposed I&E (HST incl.)
Category 4	1	Baie Verte - Green Bay	81.6	\$14,100	\$15,500
	30	St. George's - Humber	83.1	\$14,100	\$15,500
	13	Fogo Island - Cape Freels	88.9	\$14,100	\$15,500
	28	Placentia West - Bellevue	96.7	\$14,100	\$15,500
	29	St. Barbe - L'Anse aux Meadows	103.8	\$14,100	\$15,500
	3	Burgeo - La Poile	126.8	\$14,100	\$15,500
Category 5	8	Conception Bay East - Bell Island	9.8	\$8,400	\$8,900
	7	Cartwright - L'Anse au Clair	155.6	\$26,800	\$28,600
	37	Torngat Mountains	234.9	\$20,700	\$20,800
Total				\$391,700	\$415,300

APPENDIX S

2024 MCRC Website

Mandate

The Members' Compensation Review Committee (MCRC) is established in accordance with section 16 of the **House of Assembly Accountability, Integrity and Administration Act** (the Act) to conduct an inquiry and provide recommendations respecting the salaries, allowances, severance and pensions paid to Members of the House of Assembly.

The House of Assembly passed a resolution on November 2, 2023 to appoint Heather M. Jacobs, KC to conduct this review in the 50th General Assembly. The appointment, effective December 1, 2023, is in accordance with subsection 16(1) of the Act, which requires that such a review take place once during each General Assembly.

In accordance with the order of reference adopted by the House, the MCRC must deliver its final report to the speaker on or before April 1, 2024. Once submitted, the House of Assembly Management Commission will review the recommendations in accordance with the process prescribed in the Act.

Order of Reference

The following order of reference establishing the MCRC was passed by resolution of the House of Assembly on November 2, 2023:

WHEREAS subsection 16(1) of the **House of Assembly Accountability, Integrity and Administration Act** requires that an independent Committee called the Members' Compensation Review Committee, be appointed at least once during each General Assembly; and

WHEREAS in accordance with subsection 16(2) of the **House of Assembly Accountability, Integrity and Administration Act**, the Speaker has consulted with the Government House Leader, the Opposition House Leader and the Third Party on the appointment to the said Committee; and

WHEREAS the Government House Leader, the Opposition House Leader and Third Party have agreed with the introduction of this resolution; and

WHEREAS under subsection 16(4) of the **House of Assembly Accountability, Integrity and Administration Act**, a Members' Compensation Review Committee appointed under this resolution must report to the Speaker on its recommendations within 120 days of its appointment;

THEREFORE BE IT RESOLVED

(1) That Heather Jacobs, KC, is appointed to the Members' Compensation Review Committee with the appointment to be effective on December 1, 2023;

(2) That in accordance with section 16 of the **House of Assembly Accountability, Integrity and Administration Act**, the Members' Compensation Review Committee shall inquire into and prepare a report respecting the salaries, allowances, severance and pensions to be paid to the Members of the House of Assembly; and

(3) That in particular, the Committee shall:

(a) recommend the annual salary for Members of the House of Assembly;

(b) review and make recommendations regarding additional salary provisions for positions identified in subsection 12(1) of the **House of Assembly Accountability, Integrity and Administration Act**;

(c) recommend a formula or means for making annual salary adjustments for salary amounts referenced in clauses (a) and (b) above;

(d) review and make any recommendations regarding the current severance pay policy for Members of the House of Assembly;

(e) review the current provisions for Members pensions and provide any recommendations for adjustments;

AND THAT as part of its inquiries, the Committee may consult with appropriate persons who can assist the Committee with respect to its required duties and shall consult with the current Members of the House of Assembly and House of Assembly Service regarding any issues identified in the current regime, as well as any administrative, legislative or other impacts of proposed recommendations;

AND THAT the House of Assembly shall conclude any contractual arrangements required to carry out the intent of this resolution;

AND THAT the Members' Compensation Review Committee deliver its report to the Speaker on or before April 1, 2024.

Committee Members

Heather M. Jacobs, KC

Served as Deputy Minister of the Department of Justice and Public Safety on three occasions from 2015 to 2022. Prior to that time, Ms. Jacobs also served as Assistant Deputy Minister in that Department for nine years, managed the Government Services Unit within the Civil Division for four years, and served as a solicitor in the Civil Division for 13 years. Ms. Jacobs received her Bachelor of Commerce (Honours) from Memorial University in 1984 and Bachelor of Laws degree from York University (Osgoode Hall) in 1987. Ms. Jacobs was appointed Queens Counsel in 2015 and has been a member of the Law Society of Newfoundland and Labrador since 1988. She has served as a member of the Nalcor Board (as government appointee) and sat independently in 2018. She has also served as the Chair of the Board of Directors of the Oil and Gas Corporation of Newfoundland and Labrador and a member of the Expert Panel on Churchill Falls 2041.

Committee Support Team

Sandra Barnes
Senior Advisor
Maureen McCarthy
Pensions Advisor
Adrienne Ding
Legal Counsel
Yvonne Power
Administrative Officer

Areas of Inquiry & References

Salary

[*House of Assembly Accountability, Integrity and Administration Act – sections 11\(1\) and 12*](#)
[*Members' Compensation – Overview and Annual Compensation Reports*](#)
[*Members' Guide to Resources and Allowances – Module 3*](#)

Pension

[*House of Assembly Accountability, Integrity and Administration Act, paragraph 11\(3\)\(b\)*](#)
[*Members of the House of Assembly Retiring Allowances Act, sections 10-11 and 18-20*](#)
[*Members' Guide to Resources and Allowances – Module 3*](#)

Severance

[*House of Assembly Accountability, Integrity and Administration Act – paragraph 11\(3\)\(a\)*](#)
[*Members' Guide to Resources and Allowances – Module 3*](#)
[*Severance Policy for Members of the House of Assembly*](#)

Allowances

Office Operations, Supplies & Communications

[*Members' Resources and Allowances Rules – sections 18-24*](#)
[*Members' Guide to Resources and Allowances – Module 4*](#)

Operational Resources

[*Members' Resources and Allowances Rules – section 25-27*](#)
[*Members' Guide to Resources and Allowances – Module 4*](#)

Travel & Living

[*Members' Resources and Allowances Rules – sections 28-44; Schedule A; Schedule B*](#)
[*Members' Guide to Resources and Allowances – Modules 5*](#)

Constituency Allowance

[*Members' Resources and Allowances Rules – sections 46-47*](#)
[*Members' Guide to Resources and Allowances – Module 4*](#)

Additional Resources

[*Rebuilding Confidence: Report of the Review Commission on Constituency Allowances and Related Matters \(Green Report\)*](#)
[*Members' Compensation Review Committee Report – 2016*](#)

[Members' Compensation Review Committee Report – 2012
Annex to Report](#)
[Members' Compensation Review Committee Report – 2009
Annex to Report](#)
[Policies and Guidelines Applicable to Members of the House of Assembly](#)

How to Participate

The Committee is inviting input from the public during its review. Any person or organization wishing to participate, can do so as follows:

Written submission:

Must be received on or before **January 26, 2024** by:

Email: mcrc2024@gov.nl.ca

Mail: Members' Compensation Review Committee
P.O. Box 8700
St. John's, NL
A1B 4J6
Attention: Heather M. Jacobs, KC, MCRC 2024

Virtual session:

Persons or organizations interested in participating in a virtual session must pre-register on or before **January 22, 2024** at:

Tel: 709-729-5870
1-833-711-0422

Email: mcrc2024@gov.nl.ca

These sessions will be scheduled during the week of **January 29 to February 2, 2024**. Further information regarding available dates and times will be provided following registration.

Information and feedback gathered from the consultations noted above will be summarized in the final report, but will not include identifying information.

APPENDIX T

MCRC News Release

NLIS 2

House of Assembly

December 12, 2023

The following is distributed at the request of the 2024 Members' Compensation Review Committee:

Public Advisory: Members' Compensation Review Committee Conducting Public Consultations

The 2024 Members' Compensation Review Committee (MCRC) is conducting public consultations. Established in accordance with section 16 of the [House of Assembly Accountability, Integrity and Administration Act](#), it will conduct an inquiry and provide recommendations respecting the salaries, allowances, severance and pensions paid to Members of the House of Assembly. The Committee was appointed by resolution of the House effective December 1, 2023 and must deliver its report to the Speaker on or before April 1, 2024.

The following options are available for persons and organizations wishing to provide input to the Committee:

1. Written submission:

Must be received on or before **January 19, 2024** by:

Email: mcrc2024@gov.nl.ca

Fax 709-729-5895

Mail: Members' Compensation Review Committee

P.O. Box 8700

St. John's, NL

A1B 4J6

Attention: Heather M. Jacobs, KC,

MCRC 2024

2. Virtual session:

Persons or organizations interested in participating in a virtual session must **pre-register** on or before **January 15, 2024** at:

Tel: 709-729-5870/1-833-711-0422

Fax: 709-729-5895

Email: mcrc2024@gov.nl.ca

These sessions will be scheduled during the week of **January 29 to February 2, 2024**. Further information regarding available dates and times will be provided following registration.

The Committee is interested in hearing perspectives and ideas regarding matters within its mandate and is encouraging individuals and organizations to participate. Information and feedback gathered from the consultations will be summarized in the final report, but will not include identifying information. Further information on MCRC 2024, including its areas of inquiry and related references, is available at: www.assembly.nl.ca/mcrc/.

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APPENDIX U

MCRC Public Advisory

NLIS 3
House of Assembly
January 8, 2024

The following is distributed at the request of the 2024 Members' Compensation Review Committee:

Public Advisory: Members' Compensation Review Committee Extending Deadline for Written Submissions and Registration for Virtual Sessions

The Members' Compensation Review Committee (MCRC) wishes to advise that it is extending the deadline for written submissions and registration for virtual sessions as noted below. The 2024 MCRC was appointed to inquire into and prepare a report respecting the salaries, allowances, severance and pensions to be paid to Members of the House of Assembly.

The following options are available for persons and organizations wishing to provide input to the Committee:

1. Written submission:

Must be received on or before **January 26, 2024**, by:

Email: mcrc2024@gov.nl.ca

Mail: Members' Compensation Review Committee
P.O. Box 8700
St. John's, NL
A1B 4J6

Attention: Heather M. Jacobs, KC,
MCRC 2024

2. Virtual session:

Persons or organizations interested in participating in a virtual session must **pre-register** on or before **January 22, 2024**, at:

Tel: 709-729-5870 or 1-833-711-0422

Email: mcrc2024@gov.nl.ca

These sessions will be scheduled during the week of **January 29 to February 2, 2024**. Further information regarding available dates and times will be provided following registration.

The Committee is interested in hearing perspectives and ideas regarding matters within its mandate and is encouraging individuals and organizations to participate. Information and feedback gathered from the consultations will be summarized in the final report, but will not include identifying information.

Further information on MCRC 2024, including its areas of inquiry and related references, is available at <https://www.assembly.nl.ca/mcrc/>.

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APPENDIX V

Letter to MHAs



HOUSE OF ASSEMBLY
Newfoundland and Labrador

Members' Compensation Review Committee

December 13, 2023

Letters to MHAs

I have been appointed as the sole member of the 2024 Members' Compensation and Review Committee. I am writing at this time to invite your observations, concerns and recommendations. For ease of reference attached is the resolution of the House of Assembly. I welcome input either in person, by video or in writing.

If your preference is to meet in person or by video please reach out to Yvonne Power by telephone (709-729-5870) or email (ypower@gov.nl.ca) to arrange a date and time. It is the committee's intention to conclude the meetings by January 26, 2024.

I ask to receive written submissions on or before January 26, 2024 by email (mcrc2024@gov.nl.ca) or by post (P.O Box 8700, St. John's, NL, A1B 4J6).

Finally, the meetings and the written submissions will be confidential, however the information and feedback will be summarized in the report without identifying the source.

Kindest regards,

A handwritten signature in blue ink that reads "Heather Jacobs".

Heather M. Jacobs, KC
Chair

3rd Floor, Regatta Plaza, Elizabeth Ave., St. John's, NL, A1B 4J6, 709-729-5870, Toll Free 833-711-0422

